

HARFORD COUNTY ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



BARRY GLASSMAN, COUNTY EXECUTIVE

HARFORD COUNTY, MARYLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED

JUNE 30, 2021



Prepared by:

*Department of the Treasury
Harford County, Maryland*

*Robert F. Sandlass, Jr.
Harford County Treasurer*

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Harford County Deputy Treasurer*



HARFORD COUNTY, MARYLAND

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Introductory Section



October 11, 2021

Honorable Members of the County Council,
County Executive and Citizens of Harford County

The Annual Comprehensive Financial Report (ACFR) of Harford County, Maryland (the County) for the fiscal year ended June 30, 2021, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the County annually issue a report of its financial position and activity, and that an independent firm of licensed Certified Public Accountants selected by the County Council audit this report. The County is also required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Responsibility for both the accuracy of the data and the completeness and reliability of all of the information presented in these reports rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the County Government and its component units.

Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

The County's financial statements have been audited by CliftonLarsonAllen, LLP, Independent Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The Independent Certified Public Accountants concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the County for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The Report of Independent Public Accountants is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the Report of the Independent Public Accountants.

PROFILE OF THE GOVERNMENT

Harford County, Maryland was formed in 1773 and had a Commissioner form of government until 1972. Upon enactment of the Harford County Charter, a charter form of government became effective on December 7, 1972. A County Executive and a seven member County Council, one of whom is President of the Council, govern the County. The County Executive and President of the Council are elected at large. The other six members of the County Council are elected by in-district elections. All executive powers vested in Harford County by the Constitution, laws of the State of Maryland and County Charter are vested in the County Executive, who is the chief executive officer of the County and is responsible for the affairs of the Executive Branch assuring that they are properly and efficiently administered. All legislative powers, which may be exercised by Harford County under the Constitution, and laws of the State of Maryland, including all lawmaking powers, are vested in the County Council.

Harford County occupies a land area of 440 square miles and serves a population of 259,118. The County provides a full range of municipal services, including Public Safety, Public Works, Social Services, Parks and Recreation, Judicial, Agricultural Preservation and General Administrative Services. The County also provides funds that support public schools, the community college and libraries through its component units. The component units of the County are Harford County Public Schools, Harford Center, Inc., Harford Community College and Harford County Public Library. Additional information on the component units can be found in Note 1A.

Harford County's annual operating and capital budget represents a comprehensive financial plan for the County effective each year on the first day of July. The proposed budget is submitted each year by the County Executive to the County Council and published to the public on April 15. The County Council conducts budget hearings with departments, the Harford County Public Schools and other component units and conducts public hearings prior to approving the budget and the tax rates by June 15 of each year. No expenditure of County funds may be made in excess of appropriation at the department level. A Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances on a Budget (Non-GAAP) vs. Actual basis is presented for the three major governmental funds which adopted an annual budget, the general, highways and agricultural land preservation funds, and can be found in Exhibit 6 of this report.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local economy: Harford County's convenient location on the I-95 corridor in northeastern Maryland offers easy access to prominent research institutions such as the U.S. Army Aberdeen Proving Ground, Johns Hopkins, and the University of Maryland. Desirable location combined with the County's highly skilled work force and progressive, business-friendly environment; serve to provide the draw for a wide variety of companies and industry sectors to Harford County.

The County's largest revenue source remains real property taxes. The fiscal year 2021 taxable assessable base resulted in an increase over the fiscal year 2020 assessable base of 2.9%. Properties are reassessed by the State Department of Assessments and Taxation every three years and account for one-third of the more than two million real property accounts in the state. The 2021 assessments are for "Group 3" properties and were based on an evaluation of 67,767 sales that occurred within the group over the last three years. If the reassessment resulted in a property value being adjusted, any increase in value will be phased-in equally over the next three years, while any decrease in value will be fully implemented in the 2022 tax year. For the 2021 assessment, 86.3% of "Group 3" residential properties saw an increase in property value statewide. In Harford County, residential assessments increased by 8.0% and commercial

assessments for Group 3 increased by 2.4% since their last assessment in December of 2018. This is the eighth year of positive assessment growth in Harford County.

Income tax revenue, the second largest revenue source in the County, is directly affected by population growth, employment levels, and personal income. Income tax revenue has shown increases beginning in 2012 through 2021 using the modified accrual basis of accounting. The year over year increase for 2018 to 2019, 2019 to 2020, and 2020 to 2021 was 10.7%, 1.8% and 18.2%. Income tax is budgeted at \$268.3 million for fiscal year 2022. The recent growth in income tax revenue is largely due to an improving economy and lower unemployment.

The ongoing COVID-19 pandemic has affected several businesses throughout the county. In response, the Federal Government and the State of Maryland has provided aide to Harford County to help with the impacts. Some of the grants Harford County has received in relation to the COVID-19 pandemic include grants for emergency services, economic development, housing, transit, and aging.

Long-term financial planning: The County has been resilient despite the pandemic and the state government shutdown because of years of conservative and sound financial management. The County continues to monitor the fiscal impact of the health crisis on a daily basis and will continue to temper revenue estimates and employ strategic uses of fund balance as needed. The County received the highest rating from all three bond rating agencies for its general obligation bonds sold on February 2, 2021.

Fiscal year 2022 budget, including all funds, is \$1.1 billion, an increase of 11.3% or \$107.3 million from fiscal year 2021. The total 2022 General Fund Operating Budget is \$658.6 million and the Capital Budget, excluding the Water and Sewer Capital Fund is \$200.4 million.

County Executive Glassman has invested in education, reinvested in our workforce, strengthened our communities, and funded our first responders at historic levels without raising taxes by adopting the constant yield tax rate of \$1.0279. The constant yield tax rate is the tax rate that a jurisdiction would have to impose in order to obtain the same amount of property tax revenue in fiscal year 2022 as it received in fiscal year 2021.

The fiscal year 2022 budget included record level funding for Harford County Public Schools. The operating funding for Harford County Public Schools was fully funded at \$293.8 million, \$16.9 million over fiscal year 2021 which exceeds the required Maintenance of Effort.

Capital budget in fiscal year 2022 includes \$52.9 million toward 13 Harford County Public School projects. Some projects include Joppatowne high school limited renovation, roof replacement for the Center for Educational Opportunity (CEO), technology infrastructure and the new building for Homestead Wakefield Elementary School. Other major capital projects budgeted for fiscal year 2022 include \$34.9 million for County road and bridge projects, \$12.5 million for watershed management projects, and \$18.1 million for public safety projects including volunteer fire companies station renovation and emergency medical stations being built as well as \$20.1 million in park and recreational projects.

In an effort to continue reinvesting in our workforce, County Executive Glassman instituted a \$3,000 merit-based annual salary increase plus 3.0% COLA per qualifying County employee for fiscal year 2022. Equivalent increases for the States' Attorney and Circuit Court and full funding for wage enhancements for law enforcement, corrections and civilian personnel, as well as pension enhancements for correctional officers of Harford County Sheriff's Office were implemented. In addition, eligible employees will receive a \$1,000 hazard bonus for working through the pandemic.

For fiscal year 2022, the county is providing \$7.7 million to Volunteer Fire companies, which is a 3.0% increase over fiscal year 2021. Along with, \$0.3 million in funding for volunteer recruitment and

retention. The Harford County Volunteer Fire and EMS Foundation is also receiving a 3.0% increase in the amount of \$5.5 million.

The fiscal year 2022 operating budget continues its policy of maintaining a reserve of 5.0 percent of the total General and Highways Fund operating budget to preserve its high credit ratings and provide for emergencies. Any excess unassigned fund balance realized at the end of the fiscal year, above the 5.0 percent reserve, can be appropriated into the next fiscal year as one time funding for that fiscal year.

The Aberdeen Proving Ground, Maryland is Harford County's number one employer. Primarily a scientific and technical research and development facility, APG has a workforce with one of the highest concentrations of advanced degrees among military installations in the nation.

The County continues to invest 100 percent of cash held temporarily idle during the year using an equity in pooled cash system. For fiscal year 2021, the weighted average yield on investments was 0.10 percent. In addition, Agricultural Land Preservation, Capital Project, Sheriff's Office Pension System (SOPS), Volunteer Fireman's Length of Service Award Program (LOSAP), and the Other Post-Employment Benefits (OPEB) trust fund, have cash that is invested separately.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Harford County, Maryland for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the thirty-sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program requirement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County received its thirty-third GFOA Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2020. In order to qualify for the Distinguished Budget Award, the County must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications medium. We believe our current budget continues to conform to program requirements and have submitted it to the GFOA to determine its eligibility for another award.

The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the Department of the Treasury. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the County Executive and County Council for their leadership and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Robert F. Sandlass, Jr.
Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Harford County
Maryland**

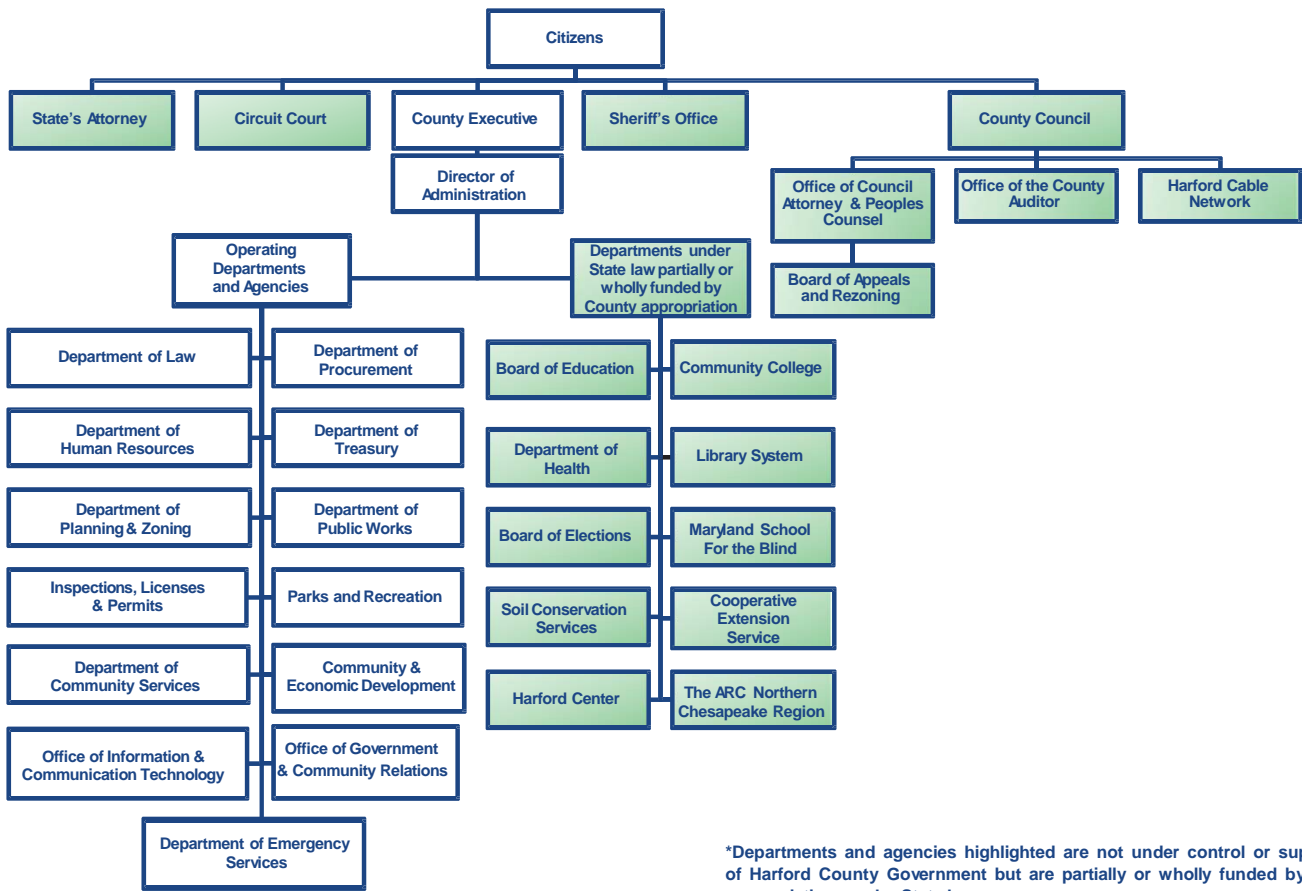
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

HARFORD COUNTY GOVERNMENT ORGANIZATION CHART



*Departments and agencies highlighted are not under control or supervision of Harford County Government but are partially or wholly funded by County appropriations under State law.

**HARFORD COUNTY, MARYLAND
GOVERNMENTAL ORGANIZATION
CERTAIN ELECTED AND APPOINTED OFFICIALS
AS OF JUNE 30, 2021**

CERTAIN ELECTED OFFICIALS

County Executive	Barry Glassman
President of the County Council	Patrick S. Vincenti
County Council Members	Andre V. Johnson
	Joseph M. Woods
	Tony "G" Giangiordano
	Chad R. Shrodes
	Robert S. Wagner
	Curtis L. Beulah

CERTAIN APPOINTED OFFICIALS

Director of Administration	Benjamin A. Lloyd
Treasurer	Robert F. Sandlass, Jr.
County Attorney	Melissa Lambert
Deputy Treasurer	Rick Pernas, CPA
Director of Community Services	Amber Shrodes
Director of Emergency Services	Edward Hopkins
Director of Human Resources	Tiffany Stephens
Director of Inspections, Licenses and Permits	Paul Lawder
Director of Parks and Recreation	Kathy Burley
Director of Planning and Zoning	Jenny B. Jarkowski
Director of Procurement	Karen Myers
Director of Public Works	Joseph Siemek
Director of Community and Economic Development	Leonard Parrish
Director of Information and Communication Technology	Nicholas Kuba
Director of Governmental and Community Relations	Cindy Mumby

Independent Public Accountants
CliftonLarsonAllen, LLP
Certified Public Accountants
Timonium, Maryland

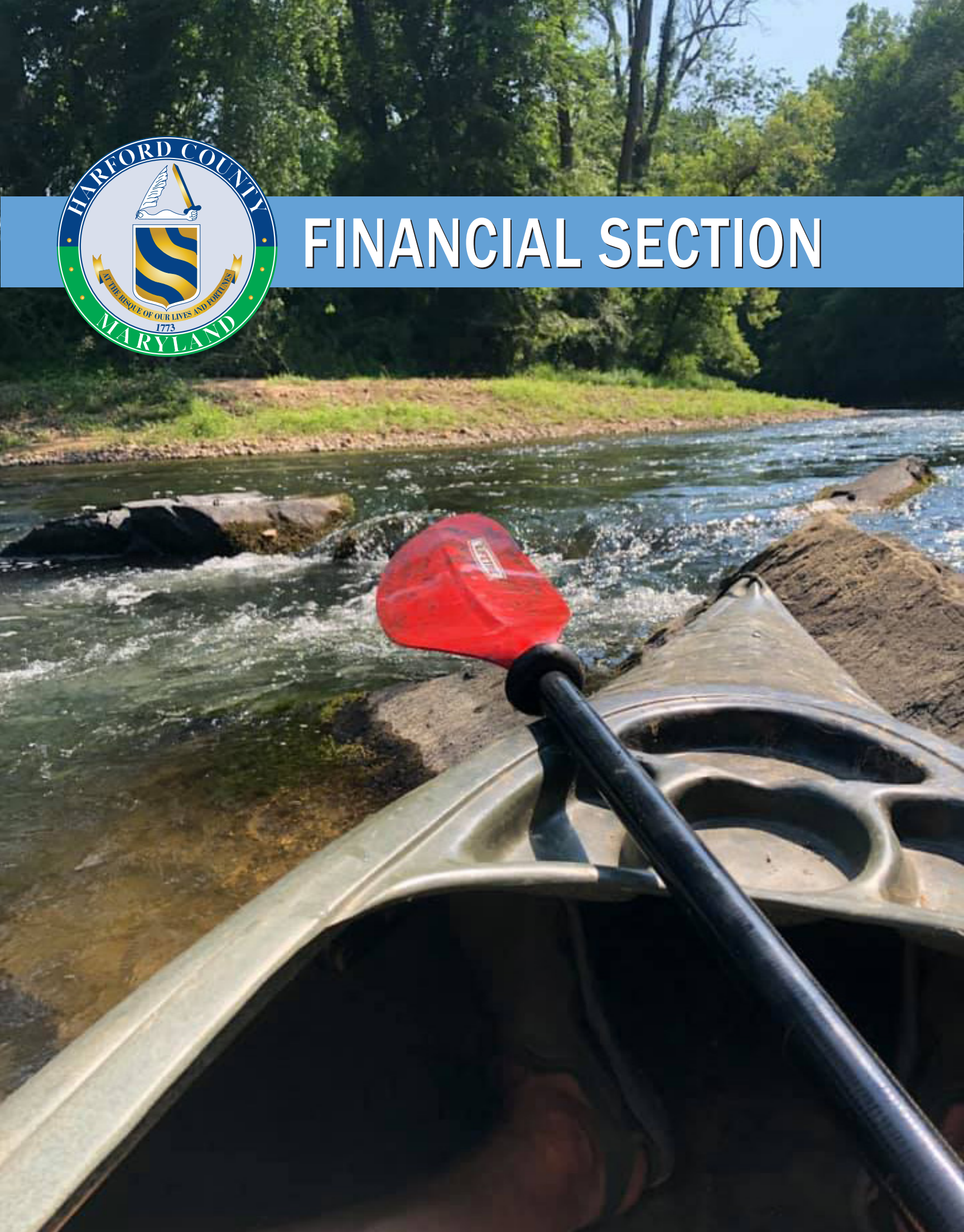
Bond Counsel
Miles & Stockbridge P.C.
Baltimore, Maryland

Financial Advisor
Davenport & Company
Towson, Maryland





FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

To the Honorable Members of the County Council
Harford County, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Harford County Public Library, and the Harford Center, Inc., which represent 2 percent and 3 percent of the total assets and deferred outflows and revenues of the aggregately discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Harford County Public Library and the Harford Center, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Harford Center were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Honorable Members of the County Council
Harford County, Maryland

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Highways and Agricultural Land Preservation Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

During fiscal year ended June 30, 2021, the County adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement for the change in accounting principle (see Note 5H). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-13, and the required supplementary information on 112-122 as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying introductory section, combining and individual fund statements, budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and

To the Honorable Members of the County Council
Harford County, Maryland

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual fund statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2021 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
October 6, 2021

Management's Discussion and Analysis

This section of the Annual Comprehensive Financial Report of Harford County, Maryland (County) presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2021. We encourage readers to use the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements, and the accompanying notes to those financial statements.

Financial Highlights

Government-wide:

- The County's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by \$862.2 million. The unrestricted portion of this is a deficit of \$146.6 million and is composed of an unrestricted deficit in the governmental activities of \$198.1 million and a balance of \$51.5 million unrestricted in the business-type activities.
- The County's net position increased \$85.4 million during the current fiscal year. The majority of the increase in the governmental activities is due to an increase of \$51.0 million from property and income taxes due to a recovering economy and \$8.4 million in recordation and transfer tax due to increase in activities in the housing market in part due to a decrease in interest rates for housing loans. The increase is also due to an increase of \$31.4 million in operating grants and contributions from Federal assistance money received for the COVID-19 pandemic. The increase in the business-type activities was \$15.9 million, mainly due to connection charges and developer contributions of \$18.2 million and an increase of \$2.2 million in charges for services from prior fiscal year due to increase in water and sewer rates.
- In the governmental activities, total revenues increased 12.4% while expenses increased 10.0% from the prior fiscal year, change in net position increased by \$69.5 million. The business-type activities, total revenues decreased by 21.8% mostly due to a reduction in capital contributions while expenses increased by \$1.7 million or 3.2% primarily due to wages and benefit package increase.

Fund Level:

- The General Fund had an increase in fund balance of \$36.5 million. The Highways Fund had an increase in fund balance of \$1.6 million.
- Approximately 88.0% of the total governmental fund balance, \$255.8 million, is available to meet the County's current and future needs as mandated by the appropriate level of authority within the County and are properly designated as assigned and unassigned.
- Available fund balance for the General Fund was \$175.7 million or 29.7% of total General Fund expenditures. Restricted fund balance of the General Fund was \$7.5 million or 4.1% of total fund balance, leaving \$0.9 million or 0.5% of total fund balance as nonspendable in the General Fund.
- The business-type activities operating revenue fell short of operating expenses resulting in an operating loss of \$2.0 million in the Water and Sewer fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund

financial statements, and 3) notes to the financial statements. This report also contains other required and non-required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position and condition of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include sheriff's office, volunteer fire and rescue, corrections, public works, planning and zoning, landfill, economic development, agricultural preservation, parks and recreation, and general administrative services. The business-type activities of the County include water and sewer operations.

The government-wide financial statements include not only the County, known as the *primary government*, but also legally separate component units. The County has the following component units, Harford County Public Schools, Harford Center, Inc., Harford Community College and Harford County Public Library. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on Exhibits 1 and 2 of this report.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund Balance Sheet including the Reconciliation to the Statement of Net Position of Governmental Activities and the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities, provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains eight individual governmental funds, the General, Highways, Grant, Agricultural Land Preservation, Capital Project, and Non-major Governmental funds comprised of Parks & Recreation, Watershed Management and Beechtree Tax Increment Financing Funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of Revenues, Expenditures, and Changes in Fund Balances for all eight governmental funds.

The County adopts an annual appropriated budget for its General Fund, Highways Fund, Agricultural Land Preservation Fund, Parks & Recreation Fund, Watershed Management Fund and Beechtree Tax Increment Financing Fund. A budgetary comparison statement has been provided for the General Fund, Highways Fund and Agricultural Land Preservation Fund to demonstrate compliance with this budget. The report can be found on Exhibit 6 of the Basic Financial Statements. A budgetary comparison schedule for the Parks & Recreation Fund, Watershed Management Fund and Beechtree Tax Increment Financing Fund can be found on Exhibit D-3, D-4, and E-1, respectively.

Proprietary funds: The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements, the County's Water and Sewer activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. The County uses an internal service fund to account for risk management. The basic proprietary fund financial statements can be found on Exhibits 7, 8, and 9 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits 10 and 11 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are part of the basic financial statements.

Financial Analysis of the County as a Whole

The County's net position is divided into three categories; net investment in capital assets; restricted net position and unrestricted net position. The largest portion of the County's net position, \$853.4 million; reflects its net investment in capital assets net of depreciation (e.g. land, development rights, construction in progress, buildings, improvements, machinery and equipment, vehicles, intangibles, and infrastructure), less any unmatured debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending.

Restricted net position at \$155.4 million, are resources subject to external restrictions on how they may be used. Accounting principles generally accepted in the United States of America direct that the difference between total net position and the two categories of net position just discussed be recorded as unrestricted net position regardless of any negative balances that may result. Unrestricted net position of the total primary government is a negative \$146.6 million; business-type activities have a balance of \$51.5 million; unrestricted net position while the unrestricted net position for governmental activities is a negative \$198.1 million. The major reason for negative unrestricted net position in the governmental funds relates to the building of schools. Counties in the State of Maryland issue debt for public school construction; however, school buildings are recorded as assets of each public school system. Although net position, as noted earlier, is an indicator of a government's overall financial condition, the issuance of debt for Harford County Public

Schools and Harford Community College construction, which increases the government's liabilities without the addition of corresponding assets, causes an imbalance on the Statement of Net Position.

The net position of governmental activities increased \$69.5 million during fiscal year 2021, while program revenues increased \$36.9 million and general revenues increased \$52.7 million over fiscal year 2020. Governmental activities general revenues for 2021 showed an increase in property taxes of \$12.5 million, an increase of income taxes of \$38.5 million, an increase of \$3.5 million in recordation taxes, an increase in transfer tax of \$4.9 million, and offset by a decrease of \$8.5 million of investment earnings. The majority of the increase in program revenues came from federal grants related to the Covid-19 pandemic.

The net position of business-type activities increased \$15.9 million during fiscal year 2021. Charges for services revenue increased \$2.2 million, 4.5% from fiscal year 2020 to 2021, due to legislation increasing the rate charged for services. Expenses for the business-type activities increased \$1.7 million, 3.2%, from the prior fiscal year.

The following tables summarize net position and the changes in net position for governmental and business-type activities:

Harford County Government - Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current & Other Assets	\$ 480,838,900	\$ 419,666,246	\$ 208,973,432	\$ 197,738,042	\$ 689,812,332	\$ 617,404,288
Capital Assets	775,970,880	744,811,612	428,793,010	429,738,428	1,204,763,890	1,174,550,040
Total Assets	<u>1,256,809,780</u>	<u>1,164,477,858</u>	<u>637,766,442</u>	<u>627,476,470</u>	<u>1,894,576,222</u>	<u>1,791,954,328</u>
Deferred Outflows of Resources	<u>70,617,616</u>	<u>76,885,596</u>	<u>8,161,710</u>	<u>8,319,322</u>	<u>78,779,326</u>	<u>85,204,918</u>
Noncurrent Liabilities	854,323,732	836,724,726	133,373,213	139,063,424	987,696,945	975,788,150
Other Liabilities	79,332,505	77,929,190	10,240,648	9,356,040	89,573,153	87,285,230
Total Liabilities	<u>933,656,237</u>	<u>914,653,916</u>	<u>143,613,861</u>	<u>148,419,464</u>	<u>1,077,270,098</u>	<u>1,063,073,380</u>
Deferred Inflows of Resources	<u>31,562,472</u>	<u>34,020,694</u>	<u>2,298,688</u>	<u>3,264,376</u>	<u>33,861,160</u>	<u>37,285,070</u>
Net Investment in Capital Assets	527,529,038	502,458,772	325,839,113	318,681,176	853,368,151	821,139,948
Restricted	32,732,079	20,419,279	122,676,261	80,305,995	155,408,340	100,725,274
Unrestricted	<u>(198,052,430)</u>	<u>(230,189,207)</u>	<u>51,500,229</u>	<u>85,124,781</u>	<u>(146,552,201)</u>	<u>(145,064,426)</u>
Total Net Position	<u>\$ 362,208,687</u>	<u>\$ 292,688,844</u>	<u>\$ 500,015,603</u>	<u>\$ 484,111,952</u>	<u>\$ 862,224,290</u>	<u>\$ 776,800,796</u>

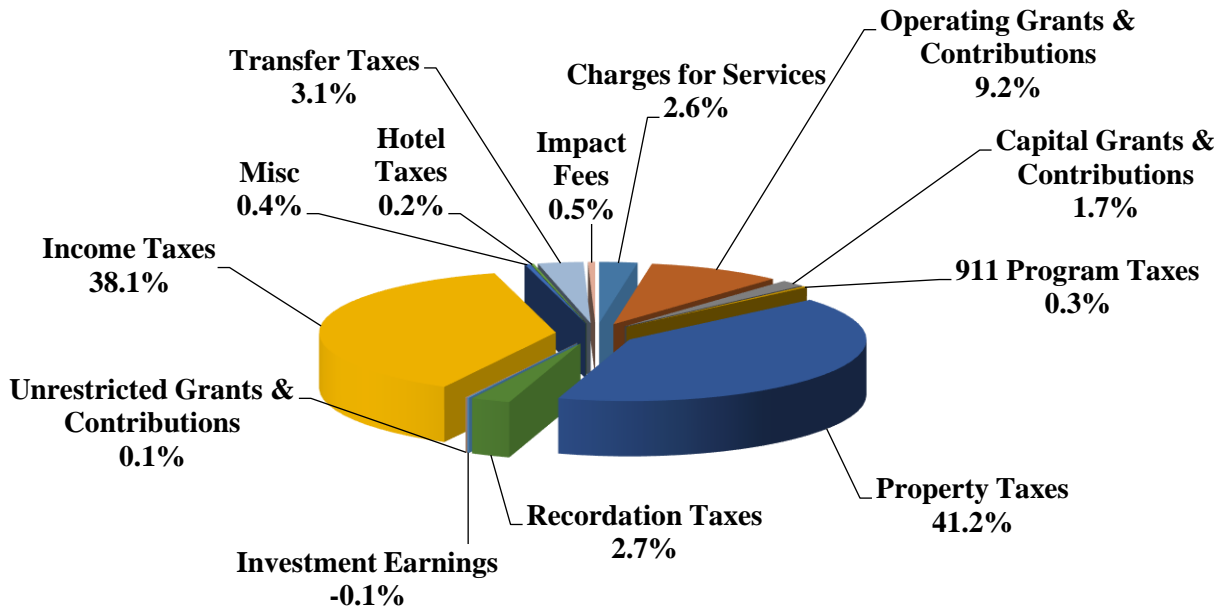
Harford County Government - Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for Services	\$ 21,266,817	\$ 22,065,129	\$ 50,307,823	\$ 48,134,482	\$ 71,574,640	\$ 70,199,611
Operating Grants & Contributions	74,839,796	43,427,802	330,000	445,651	75,169,796	43,873,453
Capital Grants & Contributions	13,990,259	7,714,585	18,236,943	38,343,861	32,227,202	46,058,446
Program revenues Total	110,096,872	73,207,516	68,874,766	86,923,994	178,971,638	160,131,510
General revenues:						
Property Taxes	335,112,342	322,655,230	-	-	335,112,342	322,655,230
Income Taxes	310,540,686	272,032,442	-	-	310,540,686	272,032,442
Impact Fees	4,000,200	3,660,600	-	-	4,000,200	3,660,600
911 Program Taxes	2,687,434	2,472,064	-	-	2,687,434	2,472,064
Recordation Taxes	22,003,340	18,477,290	-	-	22,003,340	18,477,290
Transfer Taxes	25,331,778	20,434,124	-	-	25,331,778	20,434,124
Hotel Taxes	1,684,131	1,826,103	-	-	1,684,131	1,826,103
Other Taxes	369,698	615,310	-	-	369,698	615,310
Investment Earnings	(1,146,492)	7,329,035	1,658,121	3,585,552	511,629	10,914,587
Unrestricted Grants & Contributions	403,251	383,055	-	-	403,251	383,055
Miscellaneous	3,115,048	1,471,577	402,470	166,566	3,517,518	1,638,143
Total Revenues	814,198,288	724,564,346	70,935,357	90,676,112	885,133,645	815,240,458
Program Expenses:						
Agricultural Preservation	4,212,983	2,954,760	-	-	4,212,983	2,954,760
County Council	3,197,307	3,027,207	-	-	3,197,307	3,027,207
General Government	63,458,317	49,203,101	-	-	63,458,317	49,203,101
Education-Primary thru Comm.						
College	338,437,277	322,449,454	-	-	338,437,277	322,449,454
Harford Center	604,012	588,303	-	-	604,012	588,303
Judicial	11,611,499	11,697,735	-	-	11,611,499	11,697,735
Libraries	19,529,037	19,082,017	-	-	19,529,037	19,082,017
Parks, Recreation and Natural Resources	17,249,265	15,564,649	-	-	17,249,265	15,564,649
Public Safety	149,305,039	127,274,285	-	-	149,305,039	127,274,285
Public Works	75,572,285	78,146,898	-	-	75,572,285	78,146,898
Social Services	46,678,435	31,411,699	-	-	46,678,435	31,411,699
Unallocated Debt Interest / Other						
Costs	14,822,989	15,355,774	-	-	14,822,989	15,355,774
Water and Sewer	-	-	55,031,706	53,328,579	55,031,706	53,328,579
Total Expenses	744,678,445	676,755,882	55,031,706	53,328,579	799,710,151	730,084,461
Change in Net Position	69,519,843	47,808,464	15,903,651	37,347,533	85,423,494	85,155,997
Net Position - Beginning	292,688,844	244,880,380	484,111,952	446,764,419	776,800,796	691,644,799
Net Position - Ending	\$ <u>362,208,687</u>	\$ <u>292,688,844</u>	\$ <u>500,015,603</u>	\$ <u>484,111,952</u>	\$ <u>862,224,290</u>	\$ <u>776,800,796</u>

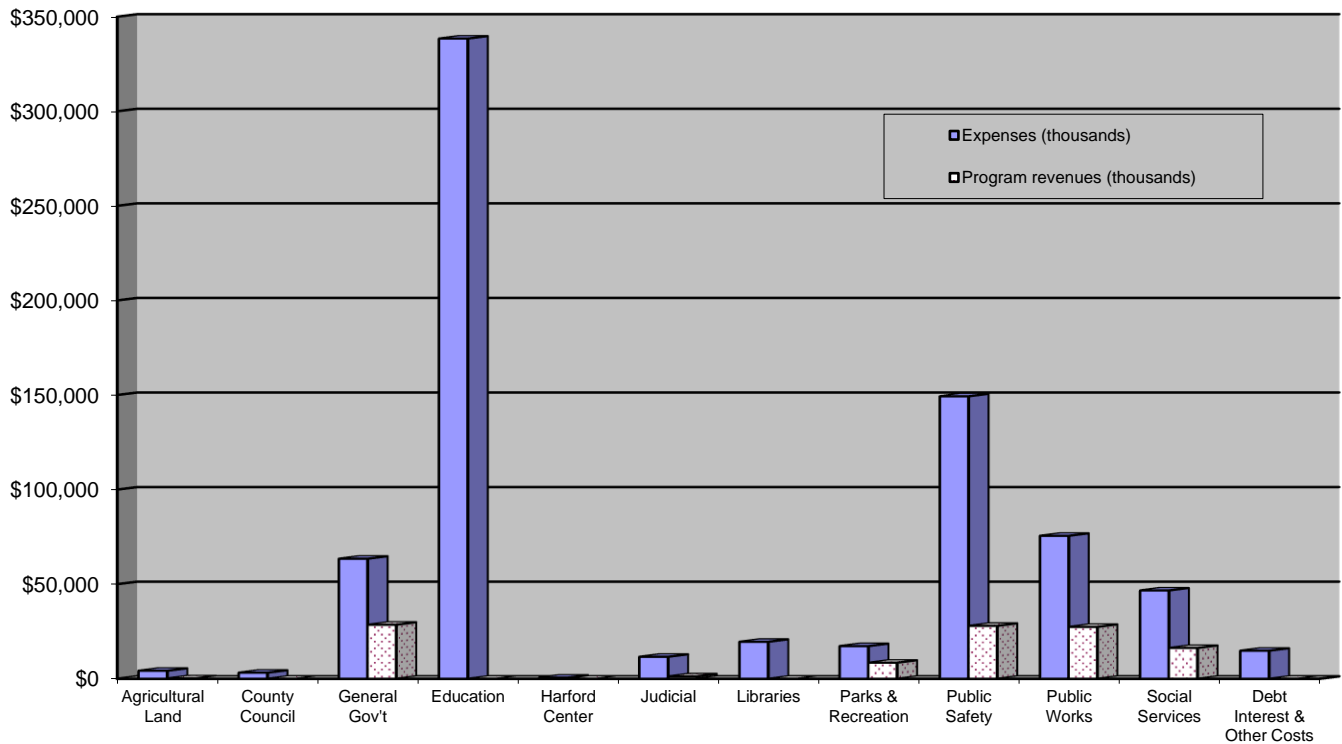
Governmental activities: The change in net position of governmental activities increased \$69.5 million during fiscal year 2021. Key elements are as follows:

- Total Government Activities expenses increased \$67.9 million or 10.0% from fiscal year 2020. The increase is due to funding Education \$16.0 million over the prior year, mainly for instructional salaries to support the teachers. Public Safety increased \$22.0 million mainly due to increase in personnel costs which included insurance, retirement, and overtime as well as equipment and supplies. An increase in Social Services of \$15.3 million was due to an increase in programs to support our citizens during the pandemic.
- Property Taxes increased in fiscal year 2021 by \$12.5 million or 3.9% over prior year in part due to historical low interest rates which has translated to stronger home prices.
- The County recorded \$310.5 million in income tax revenue for fiscal year 2021. This is a \$38.5 million or 14.2% increase from fiscal year 2020 using the accrual basis of accounting. The change was attributed to an improvement in the economy, wages, and capital gains.
- Recordation and Transfer Tax increased \$8.4 million in fiscal year 2021 over fiscal year 2020. In fiscal year 2021 the number of homes sold increased in part due to falling interest rates resulting in increased recordation and transfer tax revenue.
- Investment Earnings decreased by \$8.5 million due to a decrease in interest rates over fiscal year 2020.
- Operating Grants and Contributions increased \$31.4 million or 72.3% from prior fiscal year. The County received COVID-19 funding from the federal government to combat the pandemic. The funding was used for emergency operational costs and economic development assistance to business impacted by the pandemic.
- Capital Grants and Contributions increased \$6.3 million or 81.3% from prior fiscal year. The main increase was due to the County receiving a state grant and contribution of \$7.0 million for park land acquisition which it used to purchase Belle Vue Farm.

Revenues by Source-Governmental Activities

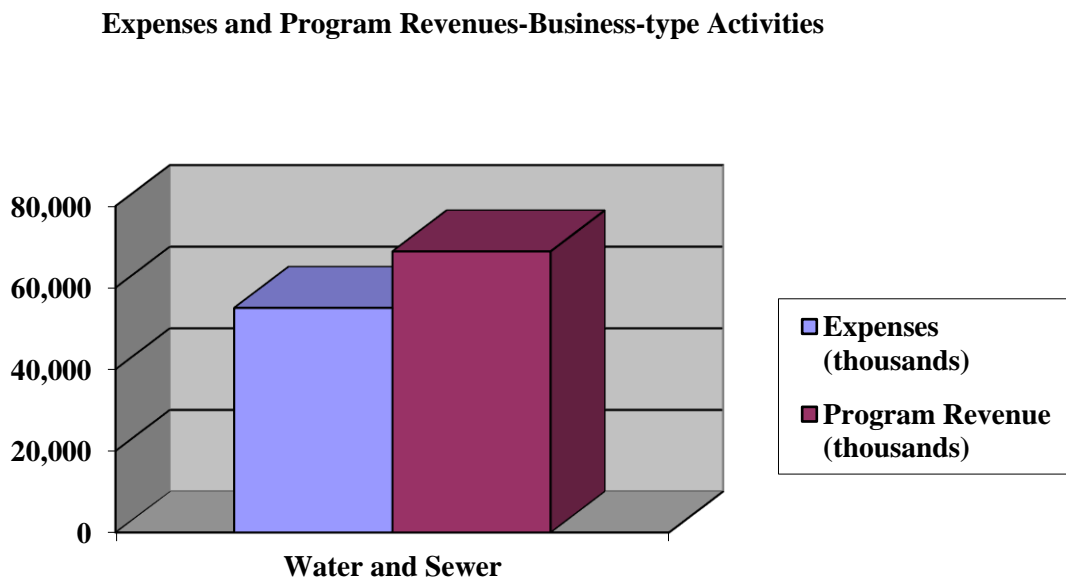
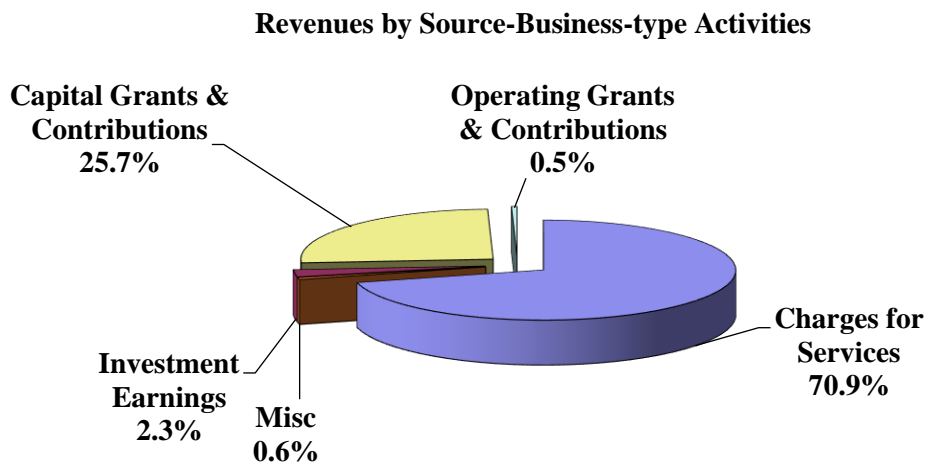


Expenses and Program Revenues-Governmental Activities



Business-type activities Business-type activities recorded an increase in net position of \$15.9 million during fiscal year 2021. Key elements are as follows:

- The increase in charges for services, \$2.2 million or 4.5% is attributed to an increase in the water and sewer rates.
- Capital Grants and Contributions of \$18.2 million due mostly to connections charges from development.
- Expenses grew by \$1.7 million or 3.2% which was less than the overall growth of charges for services which therefore contributed to the increase in net position.



Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the government's financing requirements. In particular, *committed, assigned and unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$290.8 million. Approximately 88.0% of this total amount, or \$255.8 million, constitutes *assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance, \$35.0 million, is *nonspendable or restricted* to indicate that it is not available for new spending because it has been dedicated. The nonspendable and restricted fund balance, at 12.0% of total fund balance, does not significantly affect the availability of fund resources for future use.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the assigned and unassigned fund balance of the General Fund was \$175.7 million. As a measure of the General Fund's liquidity, it is useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 29.7% of total General Fund expenditures, while total fund balance represents 31.1% of that same amount.

The County's General Fund total fund balance increased by \$36.5 million during the current fiscal year. The increase is mostly due to an increase in revenues of \$54.2 million with the majority from taxes which increased \$57.5 million due to an improved real estate market and a strong economy.

The Highways Fund has a total fund balance of \$23.9 million. The Highways Fund has 88.2% of its total fund balance assigned. Of this amount, 13.5% is assigned for fiscal stabilization purposes, 32.2% is assigned for next year's budget, and 47.6% is assigned for the purpose of the fund. 6.1% of the Highways Fund balance is restricted, mainly due to bond proceeds of \$1.2 million. The Highways Fund balance of \$1.4 million classified as nonspendable represents inventory. The fund balance increased from last fiscal year by \$1.6 million.

The Grant Fund has a total fund balance of \$10.0 million all under the restricted category due to the legally binding nature of the grant agreements.

The Agricultural Land Preservation Fund has a total assigned fund balance of \$53.0 million. There is \$25.9 million assigned for Development Rights that were purchased in prior years and the remainder is assigned to the purpose of the fund. The fiscal year fund balance increased by \$6.0 million is due mostly to increase in transfer tax from the prior fiscal year of \$2.4 million as well a decrease in current expenditures of \$2.7 million mainly due to decreased purchasing of development rights from fiscal year 2020.

The Capital Project Fund has a total fund balance of \$6.6 million. General obligation bonds of \$52.2 million were issued during fiscal year 2021 to help pay the cost of County capital projects. Of the total fund balance, \$10.8 million is restricted for dedicated revenues for Harford County Public Schools and Parks and Recreation projects and a negative \$4.2 million is unassigned. The decrease in fund balance of \$6.4 million is attributed to the forward funding of capital projects that are financed by the sale of bonds.

The Parks and Recreation Fund, Watershed Management Fund, and Beechtree Tax Increment Financing Fund have been classified as non-major governmental funds. Total fund balance for the non-major governmental funds as of June 30, 2021, was \$13.2 million. Of the total fund balance, \$3.0 million is restricted for debt service and unspent bond proceeds and \$10.2 million is assigned to the purpose of the

funds. The increase in fund balance of \$0.5 million is mostly attributed to the levy of recordation tax in the Watershed Management Fund which is being deferred for future Watershed management projects required by the State.

Proprietary funds The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$50.5 million and unrestricted net position of the Internal Service Fund totaled \$20.7 million mostly due to reduced expenditures for health care as people deferred going for non-emergency treatment during the pandemic as well as keeping the premium the same as the prior year for the funds. Factors concerning the finances of the Water and Sewer Fund are addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights The final budget of the General Fund for fiscal year 2021 increased by \$3.5 million over the original budget. The increase was allocated to appropriated funds to account for expenses attributable to OPEB and retirement payouts. Revenue variances decreased from the final fiscal year 2021 budget by \$13.5 million mostly due to a bond premium of \$5.2 million that was not budgeted and a variance of \$33.2 million over estimated income tax revenue that saved the County from using \$30.9 million of appropriated fund balance. A cautious spending policy, in light of COVID-19, also led to the \$25.5 million or 4.0% decrease in actual General Fund expenditures compared to the final General Fund budget.

Capital Asset and Debt Administration

Capital assets The County's capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$1.2 billion (net of accumulated depreciation). This investment in capital assets includes land, development rights, construction in progress, buildings, improvements, machinery and equipment, vehicles, intangibles, and infrastructure. The total net increase in the County's capital assets for the current fiscal year is \$30.2 million.

Harford County Government - Capital Assets

(Net of accumulated depreciation)

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 284,986,793	\$ 275,533,770	\$ 1,535,972	\$ 1,535,972	\$ 286,522,765	\$ 277,069,742
Development Rights	153,866,418	151,896,142	-	-	153,866,418	151,896,142
Construction in Progress	32,335,465	17,723,295	11,354,463	8,858,966	43,689,928	26,582,261
Buildings	138,285,321	138,661,929	141,865,947	147,330,180	280,151,268	285,992,109
Improvements	30,981,056	25,599,443	218,939,006	216,788,839	249,920,062	242,388,282
Machinery and Equipment	2,293,889	1,497,120	21,572,558	22,256,038	23,866,447	23,753,158
Vehicles	18,686,952	13,975,207	3,148,299	1,891,496	21,835,251	15,866,703
Intangibles	2,466,610	2,965,235	549,455	664,456	3,016,065	3,629,691
Infrastructure	112,068,376	116,959,471	29,827,310	30,412,481	141,895,686	147,371,952
Total Capital Assets	\$ 775,970,880	\$ 744,811,612	\$ 428,793,010	\$ 429,738,428	\$ 1,204,763,890	\$ 1,174,550,040

Major capital asset events during the current fiscal year included the following:

- The Bel Air High School Turf Replacement was completed in July 2020. It was capitalized for \$0.69 million.
- The new Fleet Maintenance Facility is currently under construction. In fiscal year 2021, expenditures totaled \$11.9 million.
- A new turf field at Cedar Lane was installed and capitalized for \$1.5 million. The field was completed in May 2021.

Additional information on Harford County's capital assets is found in Note 4C of this report.

Education Capital Expenditures:

Harford County Public Schools and Harford Community College projects made up the majority of the fiscal year 2021 General County Capital Budget. Some of the major expenditures were:

- The Havre de Grace High School was opened to students in Fall 2020. In fiscal year 2021, expenditures totaled \$16.1 million.
- The Board of Ed Fleet Replacement project provides funds for the replacement of buses and essential vehicles. The project had \$1.5 million in expenditures in fiscal year 2021.
- The George D. Lisby HVAC Systemic Renovations project had expenditures of \$3.0 million in fiscal year 2021. The project will replace the HVAC system along with the exterior windows and doors and will also install a backup generator.

Long-term debt At the end of the current fiscal year, the County had Bonds and Installment Purchase Agreements debt outstanding of \$664.7 million. Of this amount, \$107.1 million is considered self-supporting debt, funded through various surcharges and assessments related to the operation of the water and sewer systems of the County. Also considered self-supporting are \$34.1 million in installment purchase agreements to purchase easements for agricultural land preservation, payable from special revenue funds supported through one-half of one percent of the transfer tax levy, and \$11.4 million associated with the incremental property tax revenues related to a special taxing district.

The County's Outstanding Debt

Bonds and Installment Purchase Agreements

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Installment Purchase Agreements	\$ 34,075,560	34,657,127	-	-	34,075,560	34,657,127
Bonds Payable	523,432,419	510,934,673	107,144,397	114,206,271	630,576,816	625,140,944
	<u>\$ 557,507,979</u>	<u>\$ 545,591,800</u>	<u>\$ 107,144,397</u>	<u>\$ 114,206,271</u>	<u>\$ 664,652,376</u>	<u>\$ 659,798,071</u>

The total debt of the Primary Government increased by \$4.9 million or 0.7%, during the current fiscal year. For governmental activities, debt increased by \$11.9 million due to a general obligation bond sale of \$52.2 million, a refunding of special obligation bonds of \$11.4 million, a premium of \$8.1 million and the issue of \$0.5 million of installment purchase agreements offset by principal payments and reductions of \$60.3 million. In business-type activities, debt decreased \$7.1 million, due to bond principal payments and reductions of \$10.2 million, offset by a bond sale of \$2.8 million and a premium of \$0.3 million.

During fiscal year 2021, the County earned the highest bond rating possible from all three major bond rating agencies. Moody's Investors Services, Standard and Poor's Corp., and Fitch Ratings all reaffirmed their credit ratings of 'Aaa', 'AAA' and 'AAA', respectively. Each rating service said the County's future outlook is "stable".

State statutes limit the amount of general obligation debt a government entity may issue; up to 15% of its net assessed valuation of personal and corporate property plus 6% of the net assessed valuation of real property. The current debt limitation for the County is \$2.0 billion, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt is found in note 4G of this report.

Economic Factors and Next Year's Budgets and Rates

- The County Real Property Tax Rate for fiscal year 2022 decreased to \$1.0279 per \$100 of assessed valuation because the county adopted the constant yield tax rate. Net property tax receipts recorded in the General Fund for fiscal year 2022 are expected to increase by 1.35% over those approved for fiscal year 2021. The increase is primarily due to new construction. Statewide, the assessment notices mailed to a third of property owners reflect an increase by an average of 8.1%, which represents an average increase of 7.5% for all residential property and 9.7% for all commercial property since they were last assessed in 2018. In Harford County, residential assessments increased by 8.0% and commercial assessments increased by 2.4%. The Homestead Tax Credit rate is 5% for Harford County for fiscal year 2022 and remains unchanged from the past fiscal year.
- In fiscal year 2022, the County's income tax rate stayed at 3.06%. Fiscal year 2022 income tax revenue that is budgeted is projected to increase over fiscal year 2021 income tax budgeted revenue amount by 4.30%. Income tax is budgeted at \$268.3 million for fiscal year 2022. The increase in revenue is largely due to an improving economy and lower unemployment. Fiscal year 2022 will be the eleventh year of positive growth in income tax for Harford County.
- Governmental funds report the difference between their assets and deferred outflows of resources and liabilities and deferred inflows of resources as fund balance. Fund balance is reported in classifications that comprise a hierarchy outlining the order in which funds can be spent. For fiscal year 2021, the County original budget appropriated \$27.4 million in General Fund Balance to balance the 2021 budget. In fiscal year 2022, the County appropriated \$38.6 million in General Fund Balance to balance the 2022 budget.
- For fiscal year 2022, Harford County Public Schools are funded at \$293.8 million, which is \$16.9 million over fiscal year 2021 and above the required Maintenance of Effort level.
- Harford County Public Schools fiscal year 2022 capital budget contains 13 planned projects totaling \$52.9 million to support technology for students and teachers, facility improvements, bus replacement, and life safety emergency systems. Of the total General Fund debt service budget, 57.7% is allocated for school debt.

These and other economic factors were considered when preparing the fiscal year 2022 General Fund budget, which estimates total revenues at \$658.6 million; an increase of \$26.2 million or 4.1% over fiscal year 2021 original budgeted amounts. The budget includes record level funding to our first responders, education, and libraries. We also dedicated \$1 million for the prevention and treatment of opioid addiction and other behavioral health services and support of other community organizations including Harford County Humane Society, Harford Center, and the Arc. The 2022 approved budget includes a merit-based annual salary increase of \$3,000 plus 3% COLA per qualifying county employee plus equivalent increases for the States' Attorney and Circuit Court employees. The full funding for wage enhancements for law enforcement, corrections, and civilian personnel, as well as pension enhancements for correctional officers

of Harford County Sheriff's Office. In addition, eligible employees will receive a \$1,000 hazard bonus for working through the pandemic. The County also anticipates issuing bonds during fiscal year 2022.

The County approved Bill 20-003 on March 18, 2020, which established new Harford County Water and Sewer rates that is phased in over 5 years. The increase was necessary to maintain service reliability and infrastructure integrity due to the county's aging Water and Sewer systems. The net change in the fiscal year 2022 approved budget from the 2021 fiscal year original approved budget for the Water and Sewer Operating Fund is an increase of \$3.2 million or 4.9%.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, Harford County Government, 220 S. Main Street, Bel Air, Maryland, 21014.

The County's component units issue their own separately audited financial statements. These statements may be obtained by directly contacting the component unit, contact information can be found on Note 1A of this report.

Basic Financial Statements

HARFORD COUNTY, MARYLAND

Statement of Net Position

June 30, 2021

Exhibit 1

	Primary Government			Component Units			
	Governmental Activities	Business-Type Activities	Total Primary Government	Harford County Public Schools	Harford Center, Inc.	Harford Community College	Harford County Public Library
ASSETS							
Equity in Pooled Cash and Investments	\$ 302,032,153	\$ 159,558,493	\$ 461,590,646	\$ -	\$ -	\$ -	\$ -
Cash and Investments	184,517	3,500	188,017	55,489,550	2,964,894	35,679,691	9,224,709
Taxes and Accounts Receivable (Net)	6,294,902	20,577,150	26,872,052	17,734,521	2,689	7,527,412	227,864
Federal and State Receivable	129,201,740	-	129,201,740	10,402,208	712	-	-
Internal Balances	(980,437)	980,437	-	-	-	-	-
Due From Primary Government	-	-	-	11,305,498	-	456,710	4,448
Inventories	1,359,855	2,618,915	3,978,770	696,459	-	383,365	-
Loans Receivable	3,436,193	-	3,436,193	-	-	-	-
Prepaid Items and Other Assets	-	-	-	-	31,801	631,817	252,974
Deposit with Trustee	1,364,883	-	1,364,883	-	-	2,023,139	2,963,571
Benefit Assessment	480,128	24,205,788	24,685,916	-	-	-	-
Restricted Assets - Investments	35,370,781	1,029,149	36,399,930	-	-	23,720,729	-
Net Pension and OPEB Assets	2,094,185	-	2,094,185	-	-	103,714	-
Capital Assets:							
Land, Development Rights & CIP	471,188,676	12,890,435	484,079,111	137,717,274	-	4,801,946	-
Other Capital Assets, Net of Depreciation	304,782,204	415,902,575	720,684,779	583,205,342	923,144	91,424,599	4,643,501
Total Assets	1,256,809,780	637,766,442	1,894,576,222	816,550,852	3,923,240	166,753,122	17,317,067
DEFERRED OUTFLOWS OF RESOURCES							
Loss on Refunding	11,834,014	2,212,263	14,046,277	-	-	-	-
Pension and OPEB Deferrals	58,783,602	5,949,447	64,733,049	661,995,701	-	395,506	9,700,991
Total Deferred Outflow of Resources	70,617,616	8,161,710	78,779,326	661,995,701	-	395,506	9,700,991
LIABILITIES							
Accounts Payable	11,915,958	1,859,947	13,775,905	12,056,634	22,515	2,059,916	199,594
Due to Component Units	11,766,656	-	11,766,656	-	-	-	-
Retainages Payable	1,680,048	125,472	1,805,520	-	-	-	-
Payable to State of Maryland	185,009	1,177,524	1,362,533	-	413,878	-	-
Accrued Expenses	14,057,803	2,272,757	16,330,560	1,029,233	77,531	2,188,222	551,111
Unearned Revenue	37,493,298	35	37,493,333	4,379,218	224,712	5,608,160	5,600
Performance Deposits	1,064,462	11,352	1,075,814	-	-	-	-
Escrow Accounts	1,052,070	4,772,501	5,824,571	-	-	-	-
Other Liabilities	117,201	21,060	138,261	-	-	94,805	-
Noncurrent Liabilities:							
Due within one year	56,992,899	10,654,732	67,647,631	5,829,463	-	183,158	9,987
Due in more than one year	797,330,833	122,718,481	920,049,314	1,041,946,659	325,000	2,618,069	5,414,526
Total Liabilities	933,656,237	143,613,861	1,077,270,098	1,065,241,207	1,063,636	12,752,330	6,180,818
DEFERRED INFLOWS OF RESOURCES							
Gain on Refunding	-	2,768	2,768	-	-	-	-
Pension and OPEB Deferrals	31,562,472	2,295,920	33,858,392	919,957,728	-	239,748	28,487,475
Total Deferred Inflow of Resources	31,562,472	2,298,688	33,861,160	919,957,728	-	239,748	28,487,475
NET POSITION							
Net Investment in Capital Assets	527,529,038	325,839,113	853,368,151	709,605,475	923,144	96,226,545	4,612,594
Restricted for:							
Highways Projects	1,462,731	-	1,462,731	-	-	-	-
Grant Programs	10,001,207	-	10,001,207	-	-	-	-
Capital Projects	10,791,397	-	10,791,397	230,803	-	-	-
Debt Service	2,083,114	-	2,083,114	-	-	-	-
Watershed Management	932,836	-	932,836	-	-	-	-
Water & Sewer	-	122,676,261	122,676,261	-	-	-	-
Bond Proceeds	7,323,980	-	7,323,980	-	-	-	-
Public Safety	136,814	-	136,814	-	-	-	-
Other Purposes	-	-	-	3,071,527	125,177	16,586,277	436,347
Unrestricted (deficit)	(198,052,430)	51,500,229	(146,552,201)	(1,219,560,187)	1,811,283	41,343,728	(12,699,176)
Total Net Position	\$ 362,208,687	\$ 500,015,603	\$ 862,224,290	\$ (506,652,382)	\$ 2,859,604	\$ 154,156,550	\$ (7,650,235)

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Activities
For The Year Ended June 30, 2021

Exhibit 2

Program Revenues					Net (Expense) Revenue and Changes in Net Position						
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-Type Activities	Total	Harford County Public Schools	Harford Center, Inc.	Harford Community College	Harford County Public Library
Primary Government:											
Governmental Activities											
Agricultural Preservation	\$ 4,212,983	\$ -	\$ 202,938	\$ -	\$ (4,010,045)	\$ -	\$ (4,010,045)	\$ -	\$ -	\$ -	\$ -
County Council	3,197,307	-	-	-	(3,197,307)	-	(3,197,307)	-	-	-	-
General Government	63,458,317	3,016,025	25,405,060	121,260	(34,915,972)	-	(34,915,972)	-	-	-	-
Education-Primary thru Comm. College	338,437,277	-	-	-	(338,437,277)	-	(338,437,277)	-	-	-	-
Harford Center	604,012	-	-	-	(604,012)	-	(604,012)	-	-	-	-
Judicial	11,611,499	17,801	1,233,813	-	(10,359,885)	-	(10,359,885)	-	-	-	-
Libraries	19,529,037	-	-	-	(19,529,037)	-	(19,529,037)	-	-	-	-
Parks, Recreation and Natural Resources	17,249,265	486,525	19,203	7,957,827	(8,785,710)	-	(8,785,710)	-	-	-	-
Public Safety	149,305,039	4,387,822	20,365,977	3,209,437	(121,341,803)	-	(121,341,803)	-	-	-	-
Public Works	75,572,285	13,209,454	11,497,904	2,701,735	(48,163,192)	-	(48,163,192)	-	-	-	-
Social Services	46,678,435	149,190	16,114,901	-	(30,414,344)	-	(30,414,344)	-	-	-	-
Unallocated Debt Interest / Other Costs	14,822,989	-	-	-	(14,822,989)	-	(14,822,989)	-	-	-	-
Total Governmental Activities	744,678,445	21,266,817	74,839,796	13,990,259	(634,581,573)	-	(634,581,573)	-	-	-	-
Business-type Activities											
Water and Sewer	55,031,706	50,307,823	330,000	18,236,943	-	13,843,060	13,843,060	-	-	-	-
Total Business-type Activities	55,031,706	50,307,823	330,000	18,236,943	-	13,843,060	13,843,060	-	-	-	-
Total Primary Government	\$ 799,710,151	\$ 71,574,640	\$ 75,169,796	\$ 32,227,202	(634,581,573)	13,843,060	(620,738,513)	-	-	-	-
Component Units:											
Harford County Public Schools	\$ 630,556,832	\$ 340,096	\$ 163,092,289	\$ 59,445,452				(407,678,995)	-	-	-
Harford Center, Inc.	2,632,683	1,479,953	1,090,787	-				-	(61,943)	-	-
Harford Community College	61,164,288	14,922,864	31,455,542	625,497				-	-	(14,160,385)	-
Harford County Public Library	18,244,299	83,619	3,373,033	-				-	-	-	(14,787,647)
Total Component Units	\$ 712,598,102	\$ 16,826,532	\$ 199,011,651	\$ 60,070,949				(407,678,995)	(61,943)	(14,160,385)	(14,787,647)
General Revenues:											
Taxes:											
Property Taxes					335,112,342	-	335,112,342	-	-	-	-
Income Taxes					310,540,686	-	310,540,686	-	-	-	-
Impact Fees					4,000,200	-	4,000,200	-	-	-	-
911 Program Taxes					2,687,434	-	2,687,434	-	-	-	-
Recordation Taxes					22,003,340	-	22,003,340	-	-	-	-
Transfer Taxes					25,331,778	-	25,331,778	-	-	-	-
Hotel Taxes					1,684,131	-	1,684,131	-	-	-	-
Other Taxes					369,698	-	369,698	-	-	-	-
Investment Earnings					(1,146,492)	1,658,121	511,629	46,713	126,412	3,315,214	6,652
Grants and Contributions not Restricted to Specific Purposes					403,251	-	403,251	429,345,263	539,342	17,696,315	18,339,690
Miscellaneous					3,115,048	402,470	3,517,518	25,177,695	105,251	-	-
Total General Revenues					704,101,416	2,060,591	706,162,007	454,569,671	771,005	21,011,529	18,346,342
Change in Net Position					69,519,843	15,903,651	85,423,494	46,890,676	709,062	6,851,144	3,558,695
Net Position - Beginning , as Restated					292,688,844	484,111,952	776,800,796	(553,543,058)	2,150,542	147,305,406	(11,208,930)
Net Position - Ending					\$ 362,208,687	\$ 500,015,603	\$ 862,224,290	\$ (506,652,382)	\$ 2,859,604	\$ 154,156,550	\$ (7,650,235)

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND

**Balance Sheet
Governmental Funds
June 30, 2021**

Exhibit 3

	General	Highways	Grant	Agricultural Land Preservation	Capital Project	Non-major Governmental Funds	Total Governmental Funds
ASSETS							
Equity in Pooled Cash and Investments	\$ 153,595,764	\$ 22,131,833	\$ 41,357,972	\$ 27,138,773	\$ 23,492,818	\$ 11,241,740	\$ 278,958,900
Cash and Investments	180,767	3,000	-	-	-	750	184,517
Taxes and Accounts Receivable (Net)	5,230,126	463,454	947	-	55,867	151	5,750,545
Federal and State Receivable	121,411,969	699,263	4,299,413	-	2,791,095	-	129,201,740
Inventories	-	1,359,855	-	-	-	-	1,359,855
Loans Receivable	889,113	-	2,547,080	-	-	-	3,436,193
Deposit with Trustee	-	-	-	-	-	1,364,883	1,364,883
Benefit Assessment	-	-	-	-	480,128	-	480,128
Restricted Assets - Investments	7,323,980	1,201,552	-	25,871,501	40,912	932,836	35,370,781
TOTAL ASSETS	\$ 288,631,719	\$ 25,858,957	\$ 48,205,412	\$ 53,010,274	\$ 26,860,820	\$ 13,540,360	\$ 456,107,542
LIABILITIES							
Accounts Payable	\$ 4,422,168	\$ 721,788	\$ 951,195	\$ 33,118	\$ 5,458,380	\$ 276,767	\$ 11,863,416
Due to Component Units	-	-	-	-	11,766,656	-	11,766,656
Retainages Payable	-	-	27,381	-	1,652,667	-	1,680,048
Payable to State of Maryland	185,009	-	-	-	-	-	185,009
Accrued Expenditures	5,889,807	573,296	315,519	-	-	28,376	6,806,998
Unearned Revenue	108,911	-	36,910,110	-	474,277	-	37,493,298
Performance Deposits	755,585	308,877	-	-	-	-	1,064,462
Escrow Accounts	497,766	123,618	-	-	422,466	8,220	1,052,070
Other Liabilities	115,889	1,312	-	-	-	-	117,201
Total Liabilities	11,975,135	1,728,891	38,204,205	33,118	19,774,446	313,363	72,029,158
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	92,639,822	188,953	-	-	480,128	-	93,308,903
Total Deferred Inflows of Resources	92,639,822	188,953	-	-	480,128	-	93,308,903
FUND BALANCES							
Nonspendable	889,113	1,359,855	-	-	-	-	2,248,968
Restricted	7,460,794	1,462,731	10,001,207	-	10,791,397	3,015,950	32,732,079
Assigned	155,113,170	21,118,527	-	52,977,156	-	10,211,047	239,419,900
Unassigned (deficits)	20,553,685	-	-	-	(4,185,151)	-	16,368,534
Total Fund Balances	184,016,762	23,941,113	10,001,207	52,977,156	6,606,246	13,226,997	290,769,481
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 288,631,719	\$ 25,858,957	\$ 48,205,412	\$ 53,010,274	\$ 26,860,820	\$ 13,540,360	

Internal Balances are a result of eliminating the internal service fund using the "look-back" method resulting in a payable in the governmental activities in the Statement of Net Position.	(980,437)
Net pension assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,094,185
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	775,970,880
Some of the County's revenues will be collected after year-end, but not available soon enough to pay for the current period expenditures, and therefore are reported as unavailable revenues in the funds.	93,308,903
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. These assets and liabilities of the internal service funds are included in the statement of net position.	20,722,487
Deferred outflow of resources, including loss on refunding, pension and OPEB deferrals.	70,617,616
Deferred inflow of resources, including pension and OPEB deferrals.	(31,562,472)
Long-term liabilities, including bonds payable, compensated absences, installment purchase agreements, landfill closure, net pension liability, net OPEB liability, and accrued bond interest are not due and payable in the current period and therefore are not reported in the funds.	(858,731,956)

Net Position of Governmental Activities \$ 362,208,687

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2021

Exhibit 4

	<u>General</u>	<u>Highways</u>	<u>Grant</u>	<u>Agricultural Land Preservation</u>	<u>Capital Project</u>	<u>Non-major Governmental Funds</u>	<u>Governmental Funds</u>
REVENUES							
Taxes	\$ 592,826,047	\$ 41,320,054	\$ -	\$ 12,665,889	\$ 31,002,372	\$ 5,470,137	\$ 683,284,499
Revenues from Other Agencies	2,803,026	2,727,692	64,857,534	202,938	12,316,002	-	82,907,192
Investment Income	144,000	19,820	17,522	(1,389,940)	31,438	11,129	(1,166,031)
Charges for Current Services	14,803,680	792,601	367,353	-	55,297	405,378	16,424,309
Miscellaneous	911,921	459,650	1,636,454	-	907,301	-	3,915,326
Licenses and Permits	4,469,107	-	-	-	-	-	4,469,107
Fines and Forfeitures	24,413	-	481,518	-	-	-	505,931
Total Revenues	<u>615,982,194</u>	<u>45,319,817</u>	<u>67,360,381</u>	<u>11,478,887</u>	<u>44,312,410</u>	<u>5,886,644</u>	<u>790,340,333</u>
EXPENDITURES							
Current:							
Agricultural Preservation	-	-	-	3,601,653	-	-	3,601,653
County Council	3,097,635	-	-	-	-	-	3,097,635
General Government	52,838,689	-	7,066,877	-	-	-	59,905,566
Education-Primary thru Comm. College	294,475,709	-	-	-	-	-	294,475,709
Harford Center	604,012	-	-	-	-	-	604,012
Judicial	10,062,265	-	1,262,113	-	-	-	11,324,378
Libraries	18,339,690	-	-	-	-	-	18,339,690
Parks, Recreation and Natural Resources	10,055,115	-	68,186	-	-	498,981	10,622,282
Public Safety	118,232,421	-	18,712,630	-	-	-	136,945,051
Public Works	19,680,212	29,400,619	6,004,611	-	-	1,608,791	56,694,233
Social Services	11,503,202	-	34,850,598	-	-	-	46,353,800
Capital Outlay	-	-	-	-	106,627,566	-	106,627,566
Debt Service:							
Principal	38,268,645	1,123,637	-	1,053,842	-	646,941	41,093,065
Interest	15,001,811	648,752	-	1,112,004	-	1,405,739	18,168,306
Administrative Costs	209,389	21,702	-	135,648	-	479,729	846,468
Total Expenditures	<u>592,368,795</u>	<u>31,194,710</u>	<u>67,965,015</u>	<u>5,903,147</u>	<u>106,627,566</u>	<u>4,640,181</u>	<u>808,699,414</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>23,613,399</u>	<u>14,125,107</u>	<u>(604,634)</u>	<u>5,575,740</u>	<u>(62,315,156)</u>	<u>1,246,463</u>	<u>(18,359,081)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	21,433,334	-	2,257,611	-	25,145,834	-	48,836,779
Transfers Out	(13,727,477)	(12,975,968)	-	-	(21,433,334)	(700,000)	(48,836,779)
Issuance of Bonds	-	-	-	-	52,215,000	-	52,215,000
Issuance of Refunding Bonds	-	-	-	-	-	11,365,000	11,365,000
Premium on Issuance of Bonds	5,176,260	560,358	-	-	-	2,411,133	8,147,751
Issuance of Installment Purchase Agreements	-	-	-	472,275	-	-	472,275
Payment to Escrow Agent for Refunding	-	-	-	-	-	(13,816,589)	(13,816,589)
Total Other Financing Sources (Uses)	<u>12,882,117</u>	<u>(12,415,610)</u>	<u>2,257,611</u>	<u>472,275</u>	<u>55,927,500</u>	<u>(740,456)</u>	<u>58,383,437</u>
Net Change in Fund Balances	36,495,516	1,709,497	1,652,977	6,048,015	(6,387,656)	506,007	40,024,356
Fund Balances - Beginning	147,521,246	22,343,941	8,348,230	46,929,141	12,993,902	12,720,990	250,857,450
Increase (Decrease) in Inventory	-	(112,325)	-	-	-	-	(112,325)
Fund Balances - Ending	<u>\$ 184,016,762</u>	<u>\$ 23,941,113</u>	<u>\$ 10,001,207</u>	<u>\$ 52,977,156</u>	<u>\$ 6,606,246</u>	<u>\$ 13,226,997</u>	<u>\$ 290,769,481</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of the Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Exhibit 5

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances--total governmental funds	\$ 40,024,356
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	25,710,091
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	23,838,416
The issuance of long-term debt (e.g. bonds and installment purchase agreements) proceeds provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	(14,339,619)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(6,379,709)
Eliminating the effect of the internal service fund using the "look-back" method resulted in an increase in expenses in the governmental activities in the statement of activities.	(77,319)
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	743,627
Change in net position of governmental activities	\$ 69,519,843

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenditures, Encumbrances
And Changes In Fund Balances
Budgetary Basis (Non-GAAP) vs. Actual
Governmental Funds
For The Year Ended June 30, 2021

Exhibit 6

	General				Highways			
	Budgeted Amounts		Actual	Variance With Final Budget	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ 550,784,500	\$ 550,784,500	\$ 591,498,154	\$ 40,713,654	\$ 40,337,500	\$ 40,337,500	\$ 41,088,838	\$ 751,338
Revenues from Other Agencies	3,237,000	3,237,000	2,803,026	(433,974)	3,009,000	3,009,000	2,727,692	(281,308)
Investment Income	500,000	500,000	144,000	(356,000)	50,000	50,000	19,820	(30,180)
Charges for Current Services	14,891,000	14,891,000	14,803,680	(87,320)	1,041,600	1,041,600	792,601	(248,999)
Miscellaneous	8,737,366	8,737,366	9,099,732	362,366	6,642,900	6,642,900	7,801,302	1,158,402
Licenses and Permits	4,635,700	4,635,700	4,469,107	(166,593)	-	-	-	-
Fines and Forfeitures	149,100	149,100	24,413	(124,687)	19,000	19,000	-	(19,000)
Total Revenues	582,934,666	582,934,666	622,842,112	39,907,446	51,100,000	51,100,000	52,430,253	1,330,253
EXPENDITURES								
Current:								
Agricultural Preservation	-	-	-	-	-	-	-	-
County Council	3,528,527	3,538,669	3,076,718	461,951	-	-	-	-
General Government	63,529,411	65,191,286	58,852,218	6,339,068	-	-	-	-
Education-Primary thru Comm. College	294,475,709	294,475,709	294,475,709	-	-	-	-	-
Harford Center	604,012	604,012	604,012	-	-	-	-	-
Judicial	10,574,850	10,662,306	10,010,969	651,337	-	-	-	-
Libraries	18,339,690	18,339,690	18,339,690	-	-	-	-	-
Parks, Recreation and Natural Resources	12,121,381	12,223,826	9,896,677	2,327,149	-	-	-	-
Public Safety	123,271,281	124,836,269	117,319,709	7,516,560	-	-	-	-
Public Works	20,830,375	20,863,379	19,204,620	1,658,759	42,363,444	42,999,368	36,599,178	6,400,190
Social Services	13,429,847	13,464,838	11,483,661	1,981,177	-	-	-	-
	560,705,083	564,199,984	543,263,983	20,936,001	42,363,444	42,999,368	36,599,178	6,400,190
Debt Service	56,519,990	56,519,990	53,479,845	3,040,145	1,845,588	1,845,588	1,794,091	51,497
Total Expenditures	617,225,073	620,719,974	596,743,828	23,976,146	44,209,032	44,844,956	38,393,269	6,451,687
Excess (Deficiency) of Revenues Over Expenditures	(34,290,407)	(37,785,308)	26,098,284	63,883,592	6,890,968	6,255,044	14,036,984	7,781,940
OTHER FINANCING SOURCES (USES)								
Appropriated Fund Balance	27,435,000	30,929,901	-	(30,929,901)	6,085,000	6,720,924	-	(6,720,924)
Transfers In	22,065,334	22,065,334	21,433,334	(632,000)	-	-	-	-
Transfers Out	(15,209,927)	(15,209,927)	(13,727,477)	1,482,450	(12,975,968)	(12,975,968)	(12,975,968)	-
Premium on Issuance of Bonds	-	-	5,176,260	5,176,260	-	-	560,358	560,358
Issuance of Installment Purchase Agreements	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	34,290,407	37,785,308	12,882,117	(24,903,191)	(6,890,968)	(6,255,044)	(12,415,610)	(6,160,566)
Net Change in Fund Balances	\$ -	\$ -	38,980,401	\$ 38,980,401	\$ -	\$ -	1,621,374	\$ 1,621,374
Fund Balance - Beginning			149,028,441				21,935,667	
Prior Year Encumbrances Cancelled			406,791				77,186	
Decrease in Inventory			-				(112,325)	
Fund Balance - Ending		\$	<u>188,415,633</u>			\$	<u>23,521,902</u>	

(continued)

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenditures, Encumbrances
And Changes In Fund Balances
Budgetary Basis (Non-GAAP) vs. Actual
Governmental Funds
For The Year Ended June 30, 2021
(continued)

Exhibit 6

	Agricultural Land Preservation			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 9,500,000	\$ 9,500,000	\$ 12,665,889	\$ 3,165,889
Revenues from Other Agencies	480,000	480,000	202,938	(277,062)
Investment Income	656,800	656,800	(1,389,940)	(2,046,740)
Charges for Current Services	-	-	-	-
Miscellaneous	-	-	-	-
Licenses and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Total Revenues	<u>10,636,800</u>	<u>10,636,800</u>	<u>11,478,887</u>	<u>842,087</u>
EXPENDITURES				
Current:				
Agricultural Preservation	22,512,700	22,327,700	3,601,653	18,726,047
County Council	-	-	-	-
General Government	-	-	-	-
Education-Primary thru Comm. College	-	-	-	-
Harford Center	-	-	-	-
Judicial	-	-	-	-
Libraries	-	-	-	-
Parks, Recreation and Natural Resources	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Social Services	-	-	-	-
	<u>22,512,700</u>	<u>22,327,700</u>	<u>3,601,653</u>	<u>18,726,047</u>
Debt Service	2,169,100	2,354,100	2,301,494	52,606
Total Expenditures	<u>24,681,800</u>	<u>24,681,800</u>	<u>5,903,147</u>	<u>18,778,653</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,045,000)</u>	<u>(14,045,000)</u>	<u>5,575,740</u>	<u>19,620,740</u>
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	10,606,000	10,606,000	-	(10,606,000)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Premium on Issuance of Bonds	-	-	-	-
Issuance of Installment Purchase Agreements	3,439,000	3,439,000	472,275	(2,966,725)
Total Other Financing Sources (Uses)	<u>14,045,000</u>	<u>14,045,000</u>	<u>472,275</u>	<u>(13,572,725)</u>
Net Change in Fund Balances	\$ <u>-</u>	\$ <u>-</u>	6,048,015	\$ <u>6,048,015</u>
Fund Balance - Beginning			46,929,141	
Prior Year Encumbrances Cancelled			-	
Decrease in Inventory			-	
Fund Balance - Ending			<u>\$ 52,977,156</u>	

HARFORD COUNTY, MARYLAND
Statement of Net Position
Proprietary Funds
June 30, 2021

Exhibit 7

ASSETS	Business-Type Activities		Governmental Activities	
	Enterprise Fund, Water and Sewer		Internal Service Fund	
Current Assets:				
Equity in Pooled Cash and Investments	\$	159,558,493	\$	23,073,253
Cash and Investments		3,500		-
Restricted Assets - Investments		1,029,149		-
Accounts Receivable (Net)		20,577,150		544,357
Inventories		2,618,915		-
Benefit Assessment		2,125,024		-
Total Current Assets		185,912,231		23,617,610
Noncurrent Assets:				
Benefit Assessment		22,080,764		-
Capital Assets, Net of Depreciation				-
Land and Construction in Progress		12,890,435		-
Property, Plant & Equipment		415,902,575		-
Total Capital Assets		428,793,010		-
Total Noncurrent Assets		450,873,774		-
Total Assets		636,786,005		23,617,610
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Refunding		2,212,263		-
Contributions Subsequent to Measurement Date		2,208,735		-
Changes of Assumptions		283,848		-
Changes in Proportion		559,239		-
Difference Between Actual and Proportionate Share of Contributions		4,812		-
Difference Between Expected and Actual Experience		1,987,389		-
Net Difference Between Projected and Actual Investment Earnings		905,424		-
Total Deferred Outflow of Resources		8,161,710		-
LIABILITIES				
Current Liabilities:				
Accounts Payable		947,611		52,542
Accounts Payable from Restricted Assets		912,336		-
Retainage Payable from Restricted Assets		125,472		-
Payable to the State of Maryland		1,177,524		-
Accrued Expenses		2,272,757		-
Unearned Revenue		35		-
Performance Deposits		11,352		-
Escrow Accounts		4,772,501		-
Other Liabilities		21,060		-
Compensated Absences-Current		1,058,569		-
Bonds Payable-Current		9,596,163		-
Estimated Current Liability for Claims in Process		-		1,620,040
Total Current Liabilities		20,895,380		1,672,582
Noncurrent Liabilities:				
Compensated Absences		2,020,841		-
Bonds Payable		97,548,234		-
Net Pension Liability		10,921,789		-
Net OPEB Liability		12,227,617		-
Estimated Liability for Claims in Process		-		1,222,541
Total Noncurrent Liabilities		122,718,481		1,222,541
Total Liabilities		143,613,861		2,895,123
DEFERRED INFLOWS OF RESOURCES				
Gain on Refunding		2,768		-
Changes of Assumptions		207,873		-
Changes in Proportion		266,307		-
Difference Between Actual and Proportionate Share of Contributions		604		-
Difference Between Expected and Actual Experience		1,821,136		-
Total Deferred Inflow of Resources		2,298,688		-
NET POSITION				
Net Investment in Capital Assets		325,839,113		-
Restricted - Capital Projects		122,676,261		-
Unrestricted		50,519,792		20,722,487
Total Net Position		499,035,166	\$	20,722,487
The net result of the look-back approach for consolidating the Internal Service fund is an interfund receivable for the business-type activities in the Statement of Net Position				
Net Position of Business-Type Activities	\$	500,015,603		

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

Exhibit 8

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund, Water and Sewer</u>	<u>Internal Service Fund, Self Insurance</u>
Operating Revenues:		
Charges for Services	\$ -	\$ 32,522,024
Income from Water Operations	21,980,266	-
Income from Sewer Operations	27,056,382	-
Miscellaneous	1,271,175	601,527
Total Operating Revenues	50,307,823	33,123,551
Operating Expenses:		
General and Administrative Expenses	7,320,368	-
Operations and Maintenance-Water	13,616,026	-
Operations and Maintenance-Sewer	17,633,984	-
Insurance Claims and Expenses	-	32,399,463
Depreciation	13,781,410	-
Total Operating Expenses	52,351,788	32,399,463
Operating Income (Loss)	(2,043,965)	724,088
Nonoperating Revenues (Expenses):		
Grant Revenue	330,000	-
Interest Expense	(2,466,394)	-
Interest Income	1,658,121	19,539
Other Expense	(290,843)	-
Other Income	402,470	-
Total Nonoperating Revenue (Expenses)	(366,646)	19,539
Income (Loss) Before Capital Contributions	(2,410,611)	743,627
Capital Contributions	18,236,943	-
Change in Net Position	15,826,332	743,627
Total Net Position - Beginning	483,208,834	19,978,860
Total Net Position - Ending	\$ 499,035,166	\$ 20,722,487
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Net Position of the Enterprise Fund to the Statement of Activities:		
Net Change in Net Position--Business-Type Activities Prior to Adjusting	\$ 15,826,332	
Eliminating the effect of the internal service fund, using the "look-back" method resulted in decreased expenses in the enterprise fund	77,319	
Net Change in Net Position--Business-Type Activities	\$ 15,903,651	

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND

**Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2021**

Exhibit 9

	Business Type Activities	Governmental Activities
	Enterprise Fund, Water and Sewer	Internal Service Fund, Self Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 50,124,249	\$ -
Receipts from Interfund Services Provided	-	32,522,024
Receipts from Others for Claims	-	601,527
Receipts from Customer Deposits and Rental Income	437,851	-
Proceeds from Federal and State Grants	330,000	-
Payment of Deposits to Customer	(210,451)	-
Payments to Employees for Services	(18,060,811)	-
Payments to Suppliers for Goods and Services	(19,817,896)	(1,642,879)
Payments for Claims	-	(26,512,625)
Net Cash Provided By (Used For) Operating Activities	<u>12,802,942</u>	<u>4,968,047</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(4,977,300)	-
Principal Payments on Long Term Debt	(8,535,648)	-
Bond/Lease Service Costs	(5,023)	-
Interest Paid on Bonds/Leases	(3,575,461)	-
Proceeds from Federal and State Grants	-	-
Tap Fees in Excess of Connection Costs	11,460,946	-
Proceeds from Bond Sale	2,785,000	-
Premium and Accrued Interest, net of Underwriters Fees	340,734	-
Proceeds from Sale of Capital Assets	250	-
Net Cash Proved By (Used For) Capital and Related Financing Activities	<u>(2,506,502)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	<u>1,658,346</u>	<u>19,539</u>
Net Cash Provided by Investing Activities	<u>1,658,346</u>	<u>19,539</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>11,954,786</u>	<u>4,987,586</u>
Cash and Cash Equivalents, Beginning	<u>148,636,356</u>	<u>18,085,667</u>
Cash and Cash Equivalents, Ending (For Water & Sewer: Includes Equity and Pooled Cash of \$159,558,493, Cash and Investments of \$3,500 and Restricted Cash of \$1,029,149)	<u>\$ 160,591,142</u>	<u>\$ 23,073,253</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (2,043,965)	\$ 724,088
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	13,781,410	-
Rental Income	116,650	-
Proceeds from Federal and State Grants	330,000	-
Accounts Receivable	(184,304)	4,682,790
Inventory	(65,989)	-
Contributions Subsequent to Measurement Date	(172,251)	-
Changes in Assumptions	97,241	-
Changes in Proportion	231,965	-
Difference Between Actual and Proportionate Share of Contributions	22,202	-
Difference Between Expected and Actual Experience	394,742	-
Net Difference Between Projected and Actual Investment Earnings	(694,436)	-
Accounts Payable	338,046	-
Accrued Expenses	132,517	30,556
Estimated Payables for Future Claims	-	(469,387)
Escrow Accounts	116,003	-
Unearned Revenue	(4,523)	-
Other Liabilities	(1,362)	-
Compensated Absences	281,504	-
Net Pension Liability	1,016,320	-
Net OPEB Liability	73,839	-
Changes in Assumptions	(56,456)	-
Changes in Proportion	(245,714)	-
Difference Between Actual and Proportionate Share of Contributions	(119)	-
Difference Between Expected and Actual Experience	(414,630)	-
Net Difference Between Projected and Actual Investment Earnings	(245,748)	-
Net Cash Provided By (Used For) Operating Activities	<u>\$ 12,802,942</u>	<u>\$ 4,968,047</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Developer Contributions of Capital Assets	<u>\$ 7,822,780</u>	<u>\$ -</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Fiduciary Net Position
June 30, 2021

Exhibit 10

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ 1,308,450	\$ 2,700,703	\$ 547,669
Cash Equivalents	1,404,296	686,880	22,294,781
Federal and State Receivable	-	-	444,920
Investments, at Fair Value			
Debt Securities	57,227,434	-	-
Fixed Income Funds	9,308,463	-	-
Equities and Equivalents	231,289,376	-	-
Total Investments	<u>297,825,273</u>	<u>-</u>	<u>-</u>
Total Assets	<u>300,538,019</u>	<u>3,387,583</u>	<u>23,287,370</u>
LIABILITIES			
Accounts Payable	<u>74,157</u>	<u>7,874</u>	<u>444,920</u>
Total Liabilities	<u>74,157</u>	<u>7,874</u>	<u>444,920</u>
NET POSITION			
Net Position Restricted for Pensions, OPEB and Other Purposes	\$ <u>300,463,862</u>	\$ <u>3,379,709</u>	\$ <u>22,842,450</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2021

Exhibit 11

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS			
Contributions			
Grant, Contributions or Seizures	\$ -	\$ -	\$ 28,504,902
Member Contributions	-	36,883	-
Employee Contributions	624,192	-	-
Employer Contributions	14,603,626	-	-
Plan Sponsor Contributions	1,883,255	-	-
Total Contributions	<u>17,111,073</u>	<u>36,883</u>	<u>28,504,902</u>
Investment Earnings			
Net Gain in Fair Value of Investments	62,833,050	-	-
Interest and Dividends	3,723,952	51,507	24,513
Total Investment Earnings	<u>66,557,002</u>	<u>51,507</u>	<u>24,513</u>
Less Investment Expense	(655,132)	-	-
Net Investment Income	<u>65,901,870</u>	<u>51,507</u>	<u>24,513</u>
Total Additions	<u>83,012,943</u>	<u>88,390</u>	<u>28,529,415</u>
DEDUCTIONS			
Administrative Expenses	83,189	-	-
Payments to Participants or Beneficiaries	15,139,693	253,591	20,496,850
Total Deductions	<u>15,222,882</u>	<u>253,591</u>	<u>20,496,850</u>
Net Increase (Decrease) in Fiduciary Net Position	67,790,061	(165,201)	8,032,565
Net Position - Beginning, Restated	<u>232,673,801</u>	<u>3,544,910</u>	<u>14,809,885</u>
Net Position - Ending	\$ <u><u>300,463,862</u></u>	\$ <u><u>3,379,709</u></u>	\$ <u><u>22,842,450</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

Notes to Basic Financial Statements

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

Harford County Government (the County) was formed in 1773. Under home rule, as approved during 1972, the County is governed by an elected County Executive and a seven-member County Council, with each serving separate executive and legislative functions. The accompanying financial statements include various agencies, departments, organizations, and offices which are legally part of Harford County (the Primary Government) and the County's Component Units. The Primary Government's major operations include health and social services, public safety, public works, parks and recreation, road and highways administration, agricultural preservation, and general administrative services. Harford Community College, Harford County Public Schools, Harford County Public Library, and Harford Center, Inc. are legally separate organizations included as component units.

Component units have been included within the financial reporting entity using a discrete presentation. Discrete presentations in the combined financial statements are created with separate columns for the individual component unit in the government-wide financial statements (see note below for description and for the specific factors that led to the inclusion in our financial statements) to emphasize that it is legally separate from the government. The component units have financial accountability to the County, as outlined below.

Harford County Public Schools – Operates all public schools (grades K through 12) within Harford County. The Harford County Public Schools is fiscally dependent on the County as it receives the major portion of its funding from Harford County Government. It cannot issue debt or levy taxes, so it is in a financial benefit/burden relationship with the County.

Harford Center, Inc. – Operates a rehabilitation center for disabled individuals in Harford County. The Harford Center is partially funded by Harford County Government appropriations under Maryland State law. The Harford Center's 15 members of the Board of Directors are appointed by the County Executive. It cannot issue debt or levy taxes, so it is in a financial benefit/burden relationship with the County.

Harford Community College – Operates the community college in Harford County. The College is fiscally dependent on the County as it receives the major portion of its funding from Harford County Government. It cannot issue debt or levy taxes, so it is in a financial benefit/burden relationship with the County.

Harford County Public Library – Operates all public libraries within Harford County. The Library is fiscally dependent on the County as it receives the major portion of its funding from Harford County Government. It cannot issue debt or levy taxes, so it is in a financial benefit/burden relationship with the County.

Complete financial statements of individual component units can be obtained from their respective administrative offices listed below:

Harford County Public Schools
102 South Hickory Avenue
Bel Air, Maryland 21014

Harford Community College
401 Thomas Run Road
Bel Air, Maryland 21015

Harford Center, Inc.
4 North Earlton Road
Havre de Grace, Maryland 21078

Harford County Public Library
1221-A Brass Mill Road
Belcamp, Maryland 21017

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide Financial Statements: The statement of net position and the statement of changes in net position report information on all activities of the primary government and its component units, excluding fiduciary funds. The effect of interfund activity, such as transfers between funds, has been removed from these statements to minimize the double counting of internal activities. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent, on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable or for which their relationship with the County is of such significance that exclusion would cause the County's financial statements to be misleading.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as *general revenues*.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become *susceptible to accrual*—that is, when they become both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Property taxes, income taxes, state-shared tax revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, so, have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the County, the General Fund includes such activities as public safety, education, and recreation services.

Highways Operating Fund accounts for dedicated property tax revenues that are legally restricted to the maintenance, care, and repair of roads and bridges located outside the boundaries of the three incorporated municipalities in Harford County, all expenditures of the County Department of Public Works concerning county highways, all expenditures of the County and/or Sheriff's Office regarding traffic patrol and highway safety, and County-related transportation expenditures.

Grants Fund accounts for the receipt, appropriation, and expenditure of federal, state, local, and private monies designated for a particular purpose or have specific requirements associated with an eligible program cost.

Agricultural Land Preservation Fund accounts for dedicated transfer tax revenue that is legally restricted to the purchases of County agricultural land easements.

Capital Project Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities of all major and non-major governmental funds as well as the Harford County Public Schools, Harford Community College, and the Harford County Public Library.

The County reports the following major proprietary fund:

Water and Sewer Fund accounts for the operation, construction, or acquisition of capital assets and related debt service cost of the public water and sewer facilities.

Additionally, the County reports the following additional fund types:

Non-major Governmental Funds:

Parks and Recreation Special Revenue Fund was established by Council Bill 00-64 to account for the receipts and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils, and the Oakington Peninsula.

Watershed Management Special Revenue Fund (previously known as Stormwater Management) was established to account for the watershed remediation operation. Resolution No. 005-15 authorized the recordation tax remain at a rate of \$3.30 for each \$500 or fraction thereof of the actual consideration payable or of the principal amount of the debt secured for an instrument of writing; and resolved that the revenue from such tax at the rate of \$0.55 be dedicated to fund the implementation of local watershed protection and restoration projects throughout Harford County, effective July 1, 2015.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Beechtree Tax Increment Financing (TIF) Debt Service Fund accumulates the incremental property tax revenues related to the Beechtree Estates Project (the Project) created in 2011 and any special assessment tax imposed on the Project. The funds are used to pay the principal and interest on the special obligation bonds, the proceeds of which fund capital improvements within the Project. Any unused funds over contractual reserves revert to the General Fund at the end of the fiscal year.

Internal Service Funds:

Self-Insurance Fund - This fund was established to account for the County's self-insurance program, which covers all County government agencies.

Pension, Other Employee Benefit Trust Funds, and Length of Service Award Program:

Sheriff's Office Pension System - This trust fund was established to account for the pension system of certain law enforcement and correctional employees of the Harford County Sheriff's Office.

Firemen's Length of Service Award Program (LOSAP) - This fund was established to account for the LOSAP for the volunteer fire and ambulance personnel serving the various independent volunteer fire companies in the County.

OPEB (Other Post-Employment Benefits) - This trust fund was established to account for the County's other post-employment benefits; the trust fund will act as a funding mechanism for the employer's cost of retiree benefits.

Private Purpose Trust Funds are used to account for resources legally held in a trustee capacity and are comprised of:

Bar Library Trust Fund - The Bar Library private purpose trust fund was established in 1999 to account for all expenditures associated with the operations of the Bar Library of the Circuit Court of Harford County. Fines and appearance fees provide the source of revenues.

BVL Cooperating Parties Group - This private purpose trust fund was established in September 1996 to account for revenues collected from potentially responsible parties for the purpose of undertaking the design and construction of the remedial systems deemed necessary at the Bush Valley Landfill Site.

OT Cooperating Parties Group - This private purpose trust fund was established in May 2020 to hold and distribute funds in accordance to the terms established for the design and construction of the infrastructure deemed necessary for the Old Trails Subdivision.

Custodial Funds are resources held in a purely custodial capacity and are comprised of:

Pass-Through Grants - This fund accounts for financial assistance received from other governments and transferred to another government, individual, not-for-profit, or other organization. Harford County Government serves merely as the cash conduit.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Harford County Public Entities Healthcare Consortium - This fund was established to account for a rate stabilization reserve fund created for the Harford County Public Entities Healthcare Consortium. The consortium was formed for the purpose of pooling resources to purchase health insurance thereby reducing administrative expenses. Harford County Government serves as an agent with little or no discretion in determining how the funding will be directed.

Seizure of Assets - This fund was established to account for the possession of assets during the course of a criminal investigation. Harford County Government serves as an agent with little or no discretion in determining how the funding will be directed.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for usage and services. The principal operating revenues of the Self-Insurance Fund are budget allocations from contributing County programs. Operating expenses for the Water and Sewer Fund include the cost of usage and services, administrative expenses, and depreciation on capital assets. Operating expenses for the Self-Insurance Fund include insurance claims and expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, and then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

a. POOLED CASH AND INVESTMENTS

The County operates a cash and investment pool for all funds of the Primary Government. Each fund has been allocated its respective share of pooled cash and investments as reflected in the fund financial statements as "equity in pooled cash and investments." In addition to participating in the County's cash and investment pool, each fund may maintain their own separate cash and investments that are specific to the individual fund. Based on an average daily balance of each fund's equity in pooled cash and investments, investment income earned on the cash and investment pool is distributed monthly to the General, Highways, Grant, Agricultural Land Preservation, Capital Projects, Beechtree TIF, Watershed Management, Parks and Recreation, Water and Sewer Enterprise, Self-Insurance, two Private Purpose Trust Funds, Sheriff's Office Pension Fund, Length of Service Award Program (LOSAP), Other Post Employment Benefits Trust (OPEB), and Custodial Funds. Investment income earned on individual funds' separate cash and investments is recorded monthly in the corresponding fund.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

For purposes of the statement of cash flows, the County considers cash, equity in pooled cash and investments, and investments with maturities of three months or less, when acquired, to be cash equivalents.

State statutes authorize the County to invest in obligations of the United States Government, federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the Maryland Local Government Investment Pool, money market mutual funds, commercial paper, and repurchase agreements secured by direct government or agency obligations.

The Maryland Local Government Investment Pool (MLGIP) was created under Maryland State Law and is regulated by the Maryland State Treasurer's Office. The MLGIP may invest in any instrument in which the State Treasurer may invest. Permissible instruments are established by Sections 6-222 and 6-223 of the State Finance and Procurement Article. No direct investment may have a maturity date of more than 13 months after its acquisition. Securities of the MLGIP are valued daily on an amortized cost basis, which approximates market value, and are held to maturity under normal circumstances.

The fair value of the position in the MLGIP is the same as the value of the MLGIP net assets (shares). The MLGIP is a 2a-7 like external investment pool, which issues a publicly available financial report that includes financial statements and required supplementary information for the MLGIP. This report can be obtained by writing: Maryland Local Government Investment Pool; c/o PNC Institutional Investments Group; One East Pratt Street; Baltimore, Maryland, 21202; by calling 1-800-492-5160; or the website, www.mlgip.com.

The County has an independent third party as custodian for securities collateralizing most repurchase agreements, certificates of deposit, and all other investments. Collateralization is required on repurchase agreements and certificate of deposits at a level of 102% of market value of principal plus accrued interest. In order to mitigate risk, the County continually monitors the financial condition of this third-party custodian.

Investments of the County are recorded at fair value. MLGIP investments are recorded at cost, which approximates fair value. Investments in money market funds are valued on an amortized cost basis. Changes in fair value are reported as increases or decreases in investment income in the operating statements of the appropriate fund.

Harford County categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

b. PROPERTY TAXES RECEIVABLE AND OTHER RECEIVABLES

The County's real property tax is levied and recorded each July 1 on the assessed values certified as of that date for all taxable real property located in the County on that date. On January 1, a tax on real property constructed during the period of July 1 through December 31 is levied on the assessed value as of that date. Assessed values are established by the Maryland Department of Assessments and Taxation at assessed market value. A

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

reassessment of all property is required to be completed every three years. All unpaid taxes on real property shall be, until paid, liens on the real property. The lien is imposed on the date the taxes are levied.

Currently, home-owner occupied real property taxes are billed in two installments. The first installment is due by September 30 and the second installment is due by December 31.

Beginning October 1, interest of 1.5% per month is charged for each month or fraction thereof that taxes remain unpaid on annual bills. Interest of 1.5% per month is not charged on the second semi-annual installment until January 1. In addition to interest, a 6% penalty is assessed on all unpaid delinquent property taxes on October 1. A penalty of 6% is imposed on the semi-annual installment overdue and in arrears on January 1. Any taxes not paid by the third Monday in June may subject the property to tax sale.

The County's real property tax rate for the year ended June 30, 2021, was \$1.042 per \$100 of assessed value for properties within the County, but not within an incorporated town, and \$0.8937 for properties within an incorporated town.

All receivables are reported at gross value and, where appropriate, reduced by the estimate considered to be uncollectible.

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

c. INVENTORIES

Currently all inventories are supplies that are valued at cost using the First-In/First-Out (FIFO) method. Non-spendable fund balance for the Highways Fund inventories has been reported in the governmental fund statements to reflect the non-availability of those amounts for appropriation or expenditure. Inventories in the Highways special revenue fund are accounted for by the purchase method.

d. RESTRICTED ASSETS

Certain assets of the Governmental Activities and Business-type Activities are classified as restricted assets on the Statement of Net Position. These assets include unspent bond proceeds limited by applicable bond covenants to specific capital projects, investments in strip treasuries held to maturity for the final payment on the purchase of County agricultural easements, and fees collected from users for the renewal, replacement, and expansion of the County water and sewer utility.

e. CAPITAL ASSETS

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are recorded at historical cost or at estimated historical cost if actual historical cost is not available.

Donated capital assets are recorded at acquisition value at the date of donation. The government defines capital assets as assets that have an estimated useful life in excess of one year and have an individual cost that meets or exceeds the minimal capitalization thresholds it has established for that asset class. There is no minimum dollar

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

requirement established for Land and Development Rights. Capital assets used in operations are depreciated or amortized using the straight-line method over their estimated useful lives.

Capital Assets, being depreciated or amortized:

	<u>Initial Cost in Excess of</u>
Buildings	\$ 50,000
Improvements other than Buildings	50,000
Machinery and Equipment	15,000
Vehicles	15,000
Intangibles	15,000
Infrastructure	100,000

The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Improvements other than Buildings	5-15
Machinery and Equipment	5-10
Vehicles	7
Intangibles:	
Software	5-10
Infrastructure:	
Bridges	35-45
Roads	15
Water and Sewer Lines and Improvements	10-75

The cost of normal maintenance and repair that do not add to the value of the asset or materially extend the asset's life is not capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

f. COMPENSATED ABSENCES

Vacation and personal leave benefits are earned by employees of the County based upon time in service. The rights to such benefits are vested. Employees, based on time in service, also accumulate sick leave. Accumulated sick leave benefits do not vest and are not paid unless sickness causes absence or upon retirement. At retirement, up to one-half of an employee's sick leave may be paid and the remaining balance is credited to their retirement. Vested sick leave is calculated at year-end using the terminated payments method. In the government-wide, proprietary fund, and fiduciary funds financial statements, all vacation, personal, and vested sick pay are accrued when incurred. A liability for these amounts is only reported in governmental funds for the portion estimated to be due and payable at year-end.

g. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund financial statements, non-current obligations are reported as liabilities in either governmental activities, or business-type activities, in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Bonds payable are reported net of the applicable bond premium or discount and deferred gains and losses. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

h. NET POSITION/FUND BALANCES

The government-wide financial statements utilize a net position presentation. The statement of net position reports assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components: net investment in capital assets, restricted, and unrestricted. The net investment in capital component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding debt directly attributable to the acquisition, construction, or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority. The highest level of decision-making action is legislation, which is enacted by the Harford County Council. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. The authority for assigning fund balance is expressed by the County Executive or their designee. This authority is pursuant to Article III, Section 302 of the Harford County Charter.

Unassigned – This classification represents amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the County's policy to use committed resources first, then assigned, and then unassigned, as they are needed.

i. ESTIMATED LIABILITY FOR CLAIMS IN PROCESS

The liability for claims in process in the Internal Service Fund includes estimates for personal injury, worker's compensation and property damage as of June 30, 2021. The liability is based on estimates made on an individual claim basis plus an actuarial estimate of the liability for claims incurred but not reported.

j. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

E. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

The County has adopted the provisions of Governmental Accounting Standard Board (GASB) issued Statement No. 84 entitled *Fiduciary Activities* and Standard No. 90 entitled *Major Equity Interests*. The adoption of GASB No. 84 created a restatement, details of this restatement can be found in Note 5H. The adoption of GASB No.90 did not have a material effect on these statements.

As of year ended June 30, 2021, GASB issued Statement No. 87 entitled *Leases*, Statement No. 91 entitled *Conduit Lease Obligations*, Statement No. 92 entitled *Omnibus 2020*, Statement No. 93 entitled *Replacement of Interbank Offered Rates*, Statement No. 94 entitled *Public-Private Partnerships and Availability Payment Arrangements*, Statement No. 96 entitled *Subscription-Based Information Technology Arrangements*, and Statement 97 entitled *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The County has not yet completed the process of evaluating the impact of these pronouncements on its financial statements.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, compensated absences, installment purchase agreements, landfill closure, net pension liability, net OPEB liability, and accrued bond interest, are not due and payable in the current period and therefore are not reported in the funds.”

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – CONTINUED

The details of this difference are as follows:

Accrued Bond Interest	\$ 7,250,805
Installment Purchase Agreements	34,075,560
Bonds Payable (Net)	523,432,419
Landfill Closure Liability	23,148,385
Compensated Absences	28,027,735
Net Pension Liability	143,303,681
Net OPEB Liability	99,493,371
Total	<u>\$ 858,731,956</u>

Another element of that reconciliation explains that “deferred outflows of resources, including loss on refunding, contributions subsequent to measurement date, changes in assumptions, changes in proportion, differences between actual and proportionate share of contributions, net difference in projected and actual investment earnings, and the difference between expected and actual experience, are consumption of resources that is applicable to future reporting periods and therefore are not reported in the funds.” The details of this difference are as follows:

Loss on Refunding	\$ 11,834,014
Contribution Subsequent to Measurement Date	26,294,524
Changes of Assumptions	3,471,253
Changes in Proportion	13,927,661
Difference between Actual and Proportionate Share of Contributions	56,182
Difference Between Expected and Actual Experience	13,683,693
Net Difference Between Projected and Actual Investment Earnings	1,350,289
Total	<u>\$ 70,617,616</u>

Another element of that reconciliation explains that “deferred inflows of resources, including difference between expected and actual experience, differences between actual and proportionate share of contributions, and net difference in projected and actual investment earnings are acquisitions of resources that are applicable to future reporting periods and therefore are not reported in the funds.” The details of this difference are as follows:

Changes of Assumptions	\$ 3,255,035
Changes in Proportion	1,309,645
Difference Between Actual and Proportionate Share of Contributions	7,625
Difference Between Expected and Actual Experience	22,337,546
Net Difference Between Projected and Actual Investment Earnings	4,652,621
Total	<u>\$ 31,562,472</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – CONTINUED

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Purchase of Capital Assets	\$ 50,612,324
Depreciation	(24,902,233)
Total	\$ <u>25,710,091</u>

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this difference are as follows:

Contributed Assets	\$ 5,317,177
Trade in Value of Assets	138,500
Disposal of Assets	(6,500)
Property Tax Unavailable Revenue	(1,680,377)
Income Tax Unavailable Revenue	20,125,487
Special Assessments Unavailable Revenue	(55,871)
Total	\$ <u>23,838,416</u>

Another element of that reconciliation states that, “The issuance of long-term debt (e.g., bonds and installment purchase agreements) proceeds provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.” The details of this difference are as follows:

Accrued Interest Expense	\$ (823,041)
Amortization of Bond Premium	5,445,782
Amortization of Deferred Loss	(1,671,988)
Issuance of Bonds	(52,215,000)
Issuance of Refunding Bonds	(11,365,000)
Premium on Issuance of Bonds	(8,147,751)
Issuance of Installment Purchase Agreements	(472,275)
Principal Payments on General Obligation Bonds	39,939,223
Principal Payments on Issuance of Installment Purchase Agreements	1,053,842
Principal Payments on Special Obligation Bonds	100,000
Principal Payments on Refunding Bonds (Special Obligation Debt)	13,745,000
Loss on Refunding Bonds	71,589
Total	\$ <u>(14,339,619)</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – CONTINUED

Another element of that reconciliation states that, “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Difference between Pension Expense and Contributions	\$ (4,660,716)
Difference between OPEB Expense and Contributions	666,456
Compensated Absences Expense	(2,449,884)
Consumption Method of Inventory Used in Entity Wide Statements vs. the Purchase Method used in the Fund Statements	(112,325)
Landfill Closure/Solid Waste Expense	176,760
Total	\$ <u>(6,379,709)</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY DATA

Pursuant to the County Charter, the capital and operating budgets are presented by the County Executive to the County Council during April. The County Council holds public hearings regarding the budget and, prior to June 15, passes an annual appropriation ordinance. The legislation becomes effective July 1 and provides the spending authority at the department level for the operations of the County Government with unexpended or unencumbered appropriation authority expiring the following June 30, except in the case of Capital Projects Funds, where appropriations lapse after three years if no expenditures occur. Under Maryland State Law, Harford County Public Schools capital projects are exempt from this provision. The appropriated budgets are prepared by fund, function, and department. Expenditures and encumbrances of the funds may not legally exceed appropriations at the department level. During the fiscal year, the County Council may adopt supplemental appropriations. For the year ended June 30, 2021, supplemental appropriations adopted in the General Fund were \$3,494,901; \$635,924 in the Highways Fund; \$1,841 in the Parks and Recreation Fund; \$14,252,488 in the Beechtree TIF Debt Service Fund; \$8,898 in the Watershed Management Fund and \$515,892 in the Enterprise Fund. Throughout the year, the County Executive has the authority to approve various intradepartmental transfers, which is the legal level of budgetary control. Transfers between departments require the County Council’s approval and are only completed after April 1.

Annual budgets are adopted for the General Fund, Highways Fund, Agricultural Land Preservation Fund, Parks and Recreation Fund, Watershed Management Fund, Beechtree TIF Debt Service Fund, Enterprise Fund, Internal Service Fund, Other Post Employment Benefit Trust Fund, Firemen’s LOSAP Trust Fund, and Sheriff’s Office Pension Trust Fund. Budgets are not adopted for the remaining private purpose trust funds due to their nature. Enterprise Fund, Internal Service Fund, Other Post Employment Benefit Trust Fund, and Pension Trust Funds budgets are for management control only. Budgets are adopted using the same basis of accounting as that used for reporting purposes, except for the following:

- Encumbrances are treated as expenditures for budgetary accounting purposes.
- Payroll is accrued for financial statement purposes only.
- Interfund reimbursements are eliminated for financial statement purposes.

The capital budget reflects appropriations for the Capital Projects Fund at the individual project level. Expenditures and encumbrances may not legally exceed appropriations at that level and unencumbered

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

appropriations lapse at the completion or abandonment of individual projects. The County Council and the County Executive must approve all transfers of appropriations between projects.

A Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances; Budgetary Basis (Non-GAAP) vs. Actual is prepared for the General Fund and each major Special Revenue Fund with an annual budget. These are the General, Highways, and Agricultural Land Preservation.

B. RECONCILIATION OF GAAP TO BASIS OF BUDGETING

The Governmental Funds, except for Grants and Capital Project Funds, have legally adopted annual budgets. The “Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances; Budgetary Basis (Non-GAAP) vs. Actual” is prepared on a basis consistent with those budgets. The budgets are prepared using encumbrance accounting, where encumbrances are treated as expenditures of the current period. The “Statement of Revenues, Expenditures and Changes in Fund Balances” for all major governmental funds is prepared on a basis consistent with GAAP, where encumbrances are treated as an assigned fund balance. The other fund statements are reconciled below.

As of June 30, 2021, the changes in fund balances are reconciled as follows:

	General Fund	Highways Fund
Basis of Budgeting - Net Change in Fund Balances	\$ 38,980,401	\$ 1,621,374
Basis Adjustments:		
Revenue for Budgetary, not GAAP Purposes	(6,859,918)	(7,110,436)
Encumbrances Adjustment	(1,151,521)	(161,919)
Expenditures for Budgetary, not GAAP Purposes	6,859,918	7,110,436
Expenditures for GAAP, not for Budgetary Purposes	(1,333,364)	250,042
GAAP Basis - Net Changes in Fund Balances	\$ <u>36,495,516</u>	\$ <u>1,709,497</u>

As of June 30, 2021, the ending fund balances are reconciled as follows:

	General Fund	Highways Fund
Basis of Budgeting - Fund Balances	\$ 188,415,633	\$ 23,521,902
Encumbrances	1,490,936	992,507
Expenditures for GAAP, not for Budgetary Purposes	(5,889,807)	(573,296)
GAAP Basis - Fund Balances	\$ <u>184,016,762</u>	\$ <u>23,941,113</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. EQUITY IN POOLED CASH AND INVESTMENTS, CASH, AND INVESTMENTS

a. DEPOSITS

PRIMARY GOVERNMENT

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. At year-end, the carrying amount of combined deposits was \$1,633,523 and the collected bank balance was \$4,440,008. The uninsured balances were fully collateralized by securities placed with the respective bank escrow agents and held in the County's name at the Federal Reserve. As of June 30, 2021, the County's deposits were not exposed to custodial credit risk.

The following table reconciles the County's deposits and investments to the government-wide statement of net position and the statement of fiduciary net position.

Reconciliation:

Total Primary Government - Exhibit 1	
Equity in Pooled Cash and Investments	\$ 461,590,646
Cash and Investments	188,017
Restricted Assets - Cash and Investments	36,399,930
Pension and Other Post Employment Benefit Trust Funds - Exhibit 10	
Equity in Pooled Cash and Investments	1,308,450
Cash Equivalents	1,404,296
Investments	297,825,273
Private Purpose Trust Funds - Exhibit 10	
Equity in Pooled Cash and Investments	2,700,703
Cash Equivalents	686,880
Custodial Funds - Exhibit 10	
Equity in Pooled Cash and Investments	547,669
Cash Equivalents	22,294,781
Total All Equity in Pooled Cash	824,946,645
Less: Investments - Primary Government	(823,313,122)
The Carrying Amount of Combined Deposits	\$ <u>1,633,523</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

At year-end, the carrying amount of combined deposits was \$32,235,233. All of the collected bank balance was insured by the FDIC and/or by securities held by the component unit or its agent, in the component unit's name.

The following table reconciles the Component Unit's deposits and investments to the government-wide statement of net position.

Reconciliation:

Cash & Investments for Component Units--Exhibit 1:

Harford County Public Schools	\$ 55,489,550
Harford Center, Inc.	2,964,894
Harford Community College	35,679,691
Harford Community College restricted	23,720,729
Harford County Public Library	9,224,709
Total Component Unit Cash & Investments	<u>127,079,573</u>
Less: Investments--Component Units	<u>(94,844,340)</u>
Cash in the Bank	<u><u>\$ 32,235,233</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

b. INVESTMENTS

PRIMARY GOVERNMENT

As of June 30, 2021, the County had the following investments and maturities.

Investment Type		Investment Maturities (Years)			
Pooled Investments		Amount	Less than 1	1 - 5	5+
¹ Federal Agencies	\$	20,025,411	\$ 20,025,411	\$ -	\$ -
MLGIP		292,674,371	292,674,371	-	-
Repurchase Agreements		150,002,139	150,002,139		
Mutual Funds		2,000,041	2,000,041	-	-
Subtotal		464,701,962	464,701,962	-	-
<u>Non-Pooled Investments</u>					
MLGIP		10,528,429	10,528,429	-	-
² U.S. Strip Treasuries		25,871,501	-	3,795,753	22,075,748
³ Trust Fund Annuity Contract		686,880	58,111	354,241	274,528
MLGIP - Fiduciary Funds		22,294,781	22,294,781	-	-
Other Post Employment Benefits and Pension Funds:					
Short-Term Investments		1,404,296	1,404,296	-	-
³ Equities		205,888,977	205,888,977	-	-
³ Multi-Adviser Hedge Fund		25,400,399	25,400,399	-	-
³ Fixed Income Funds		9,308,463	9,308,463	-	-
US Government Agencies		13,861,377	-	851,694	13,009,683
Corporate Bonds		25,894,815	2,186,619	11,074,866	12,633,330
² US Treasury Obligations		17,471,242	2,039	9,474,838	7,994,365
Subtotal		358,611,160	277,072,114	25,551,392	55,987,654
Total	\$	823,313,122	\$ 741,774,076	\$ 25,551,392	\$ 55,987,654

¹ This Agency matures in Fiscal Years 2023, but will be called in Fiscal Year 2022.

² These investments are backed by the full faith and credit of the US Government.

³ These investments are unrated by the credit rating agencies.

Harford County categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford County, Maryland had the following recurring fair value measurements as of June 30, 2021:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2021
Investments by fair value level:				
Pooled Investments				
Federal Agencies	\$ -	\$ 20,025,411	\$ -	\$ 20,025,411
Mutual Funds	-	2,000,041	-	2,000,041
Non-Pooled Investments				
U.S. Strip Treasuries	-	25,871,501	-	25,871,501
Other Post Employment Benefits and Pension Funds				
Short-Term Investments	-	1,404,296	-	1,404,296
Equities	205,888,977	-	-	205,888,977
Fixed Income Funds	9,308,463	-	-	9,308,463
US Government Agencies	-	13,861,377	-	13,861,377
Corporate Bonds	-	25,894,815	-	25,894,815
US Treasury Obligations	-	17,471,242	-	17,471,242
Total investments at Fair Value	<u>\$ 215,197,440</u>	<u>\$ 106,528,683</u>	<u>\$ -</u>	<u>\$ 321,726,123</u>

Investments carried at amortized cost:

Pooled Investments	
MLGIP	292,674,371
Repurchase Agreements	150,002,139
Non-Pooled Investments	
MLGIP	10,528,429
Trust Fund Annuity Contract	686,880
MLGIP - Fiduciary Funds	22,294,781
Total investments at amortized cost:	<u>476,186,600</u>

Investments Measured at Net Asset Value:

Multi-Strategy Adviser Hedge Fund Portfolios LLC	14,292,945
Real Estate Income Trust, Inc.	11,107,454
Total Investments	<u>\$ 823,313,122</u>

Debt securities (Federal agencies, U.S. Strip Treasuries, Fixed Income funds, U.S. Government Agencies, and corporate bonds) classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Equity securities and mutual funds listed on a national market or exchange are valued at the last sales price, or, if there is no sale and the market is still considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy. Mutual funds classified at level 2 are valued using either a discounted cash flow or market comparable technique.

Multi-Strategy Adviser Hedge Fund Portfolios LLC: Series G is designed to serve as a core hedge fund holding with the goal of providing additional diversification to an overall investment portfolio. Series G's investment objective is to seek capital appreciation. In doing so, Series G seeks to realize attractive risk-adjusted returns, net of fees and expenses, over a three- to five-year investment horizon. To achieve the objectives of Series G, SkyBridge will seek to allocate Series G's assets across certain hedge fund strategies. The current investment portfolio includes credit strategies which represent 49% of the portfolio (35% in structured credit and 14% in distressed Corporate Credit) 21% in Multi-Strategy and 22% percent other assets. The Company uses the NAV provided by the Investment Funds as its measure of fair value.

Structured credit-focused managers invest in securities composed primarily of residential mortgages, commercial mortgages, corporate loans, and consumer debt.

Real Estate Income Trust, Inc.: The investment strategy is to acquire primarily stabilized income-oriented commercial real estate in the United States. To a lesser extent, will also invest in real estate-related securities to provide current income and a source of liquidity for the share repurchase plan, cash management and other purposes.

The investment strategy seeks to capitalize on Blackstone's scale and real-time information provided by its real estate holdings to identify and acquire the target investments at attractive pricing. It also seeks to benefit from Blackstone's reputation and ability to transact in scale with speed and certainty, and its long-standing and extensive relationships in the real estate industry.

The investments in primarily stabilized income-oriented commercial real estate in the United States focus on a range of asset types. These may include multifamily, retail, office, hotel, and industrial assets, as well as others including, without limitation, healthcare, student housing, senior living, data centers, manufactured housing and storage properties.

The current investment portfolio includes approximately 20 percent debt securities and 80 percent real estate. The calculation of the NAV is intended to be a calculation of the fair value of the assets less any outstanding liabilities.

Investments Other than Pension, Length of Service Award Program, and Other Post-Employment Benefits:

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy prohibits investment of operating funds in securities maturing more than one year from the date of purchase, unless matched to a specific cash flow. Only Agricultural Land Preservation Funds will be invested in U.S. Strip Treasuries to coincide with the maturity dates on installment purchase agreements, up to thirty years in length. Because the mutual bond funds and the MLGIP funds as of June 30, 2021, have a weighted average maturity of less than 3 months, they are presented as investments maturing in less than one year.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS - CONTINUED

Credit Risk: In order to control credit risk, State statutes, which have been incorporated into the County's investment policy, authorize the County to invest only in obligations of the United States Government, Federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the MLGIP, money market mutual funds, commercial paper, and repurchase agreements secured by direct government or agency obligations. As of June 30, 2021, the County's investments in Federal agency obligations, including repurchase agreements, backed by Federal agency obligations, were rated Aaa by Moody's Investor Service; the MLGIP and the money market mutual funds were rated AAAM by Standard and Poor's.

Concentration of Credit Risk: In accordance with its investment policy, with the exception of US Treasury securities, repurchase agreements, US government agencies, and MLGIP, no more than 50% of the County's total investment portfolio is to be invested in a single security type. With the exception of overnight repurchase agreements with the County's lead bank, and the MLGIP, no more than 50% of the County's portfolio may be invested with a single institution.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, or not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent, but not in the government's name. County and State statutes require that securities underlying all certificates of deposit, repurchase agreements, and reverse repurchase agreements have a market value of at least 102% of the cost plus accrued interest of the investment. County policies require that a third-party custodian hold investment securities and the collateral underlying all investments, in the government's name. As of June 30, 2021, the County's investments were not exposed to custodial credit risk.

Other Post-Employment Benefits (OPEB), Length of Service Award Program (LOSAP), and Sheriff Pension Investments:

Interest Rate Risk: The investment policies of the Sheriff pension, LOSAP, and OPEB plans do not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. Fluctuating rates of return are characteristic of the securities markets; the Fund's greatest concern is long-term appreciation of assets and consistency of portfolio returns. However, cash and cash equivalent investments, such as commercial paper, repurchase agreements, etc. are limited to maturities of one year or less.

Credit Risk: The investment manager is allowed substantial discretion within a broad framework of approved investment choices. Equity holdings may be selected from those listed on the major securities markets. The Manager(s) may invest in commercial paper, repurchase agreements, Treasury Bills, certificates of deposit, deposit accounts (with the custodian's bank) which are fully insured and/or fully collateralized, and money market funds to provide income, liquidity for expense payments, and preservation of the fund's principal value. All such assets must represent maturities of one year or less at time of purchase. Standard & Poor's and Moody's must rate commercial paper assets A-2 or P-2 respectively. The fixed income portion of the portfolio will consist primarily of fixed income securities denominated in U.S. dollars issued by the U.S. Government or U.S. corporations rated investment grade or better and having a weighted average maturity of no longer than 10 years. The Manager(s) should maintain the fixed income portion of the portfolio at a risk level roughly equivalent to the Barclays Government/Credit Intermediate-Term Bond Index. The portfolio's maximum exposure to non-benchmark sectors including foreign issues, emerging market debt and high yield securities may not exceed 20% of its market value. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The County does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the County is not exposed to this risk.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Concentration of Credit Risk: As a means of minimizing risk and providing a consistent return, the investment policies require diversification. U.S. corporate bonds shall be diversified by issuer type with no more than 5% of the portfolio invested in obligations of any one issuer and no more than 10% in any one outstanding debt issue. Investments by security type are to be diversified as follows:

	<u>Minimum</u>	<u>Maximum</u>
Large Cap Equities	21	39
Mid Cap Equities	5	9
Small Cap Equities	3	7
International Equities	13	23
Fixed Income	14	26
Alternatives	0	26

COMPONENT UNITS

As of June 30, 2021, total investments of the component units, in the amount of \$94,844,340 was distributed by type as follows:

	MLGIP	Other Investments	Total
Harford County Public Schools	\$ 40,338,286	\$ -	\$ 40,338,286
Harford Center, Inc.	-	767,687	767,687
Harford Community College	28,962,260	16,501,860	45,464,120
Harford County Public Library	8,274,247	-	8,274,247
Total	\$ <u>77,574,793</u>	\$ <u>17,269,547</u>	\$ <u>94,844,340</u>

Interest Rate Risk: The component units of the County generally limit the term of investment maturities, except for the fiduciary funds of the Harford County Public Schools, which are allowed longer term maturities to match the cash flow of liabilities.

Credit Risk: The investment policies of the component units require that all investments be insured, or registered, or have underlying securities held by a custodian in the name of the component unit to protect against credit risk. The credit ratings related to the repurchase agreements are unknown, but the MLGIP, a State sponsored investment pool, is rated AAAm by Standard and Poor's.

B. RECEIVABLES, UNAVAILABLE AND UNEARNED REVENUE

a. TAXES AND ACCOUNTS RECEIVABLE

Receivables as of year-end for the government's individual major and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

	General	Highways	Grant	Capital Project
Property Taxes	\$ 1,896,395	\$ 274,797	\$ -	\$ -
Impact Fees	157,200	-	-	-
Hotel Taxes	234,170	-	-	-
Interest Accrual	174	28	-	-
Service Billings	3,072,216	218,461	947	55,867
Insurance Provider	4,744	-	-	-
Gross Receivables	5,364,899	493,286	947	55,867
Less: Allowance for Uncollectible	(134,773)	(29,832)	-	-
Total	\$ 5,230,126	\$ 463,454	\$ 947	\$ 55,867

	Non-major Governmental	Water and Sewer	Internal Service Fund	Total
Property Taxes	\$ -	\$ -	\$ -	\$ 2,171,192
Impact Fees	-	-	-	157,200
Hotel Taxes	-	-	-	234,170
Interest Accrual	22	1,364,052	-	1,364,276
Service Billings	129	19,251,453	-	22,599,073
Insurance Provider	-	-	544,357	549,101
Gross Receivables	151	20,615,505	544,357	27,075,012
Less: Allowance for Uncollectible	-	(38,355)	-	(202,960)
Total	\$ 151	\$ 20,577,150	\$ 544,357	\$ 26,872,052

b. LOANS RECEIVABLE

Loans receivable as of year-end for the government's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Grant	Total
Havre de Grace, Maryland	\$ 880,000	\$ -	\$ 880,000
Stuart Terrace	9,113	-	9,113
Housing Agency	-	1,656,495	1,656,495
CDBG	-	1,009,131	1,009,131
Economic Development Opportunity	-	339,761	339,761
	889,113	3,005,387	3,894,500
Less: Allowance for Uncollectible	-	(458,307)	(458,307)
Total	\$ 889,113	\$ 2,547,080	\$ 3,436,193

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

c. UNAVAILABLE REVENUE

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General	Highways	Capital Project	Total
Income Taxes	\$ 91,418,981	\$ -	\$ -	\$ 91,418,981
Property Taxes Receivable	1,220,841	188,953	-	1,409,794
Special Assessments Receivable	-	-	480,128	480,128
Total	<u>\$ 92,639,822</u>	<u>\$ 188,953</u>	<u>\$ 480,128</u>	<u>\$ 93,308,903</u>

d. UNEARNED REVENUE

Governmental funds report *unearned revenue* when cash is received prior to being earned. At the year-end, the unearned revenue for the government's individual major funds are as follows:

	General	Grants	Capital Project	Total
Prepaid Property Taxes	\$ 106,928	\$ -	\$ -	\$ 106,928
Walk-in Assessment Escrow	1,983	-	-	1,983
Grant Drawdown in Excess of Expenditures	-	36,910,110	-	36,910,110
Prepaid Contribution	-	-	474,277	474,277
Total	<u>\$ 108,911</u>	<u>\$ 36,910,110</u>	<u>\$ 474,277</u>	<u>\$ 37,493,298</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

C. CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital Asset Activity for the year ended June 30, 2021, was as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated or amortized:				
Land	\$ 275,533,770	\$ 9,453,023	\$ -	\$ 284,986,793
Development Rights	151,896,142	1,970,276	-	153,866,418
Construction in Progress	17,723,295	31,367,295	(16,755,125)	32,335,465
Total Capital Assets, not being depreciated or amortized	<u>445,153,207</u>	<u>42,790,594</u>	<u>(16,755,125)</u>	<u>471,188,676</u>
Capital Assets, being depreciated or amortized:				
Buildings	218,010,401	4,827,773	-	222,838,174
Improvements other than buildings	99,593,978	8,203,435	-	107,797,413
Machinery and Equipment	29,054,326	1,487,826	(471,968)	30,070,184
Vehicles	50,785,922	8,814,471	(3,925,060)	55,675,333
Intangibles	4,558,779	-	-	4,558,779
Infrastructure	268,889,996	6,699,027	-	275,589,023
Total Capital Assets, being depreciated or amortized	<u>670,893,402</u>	<u>30,032,532</u>	<u>(4,397,028)</u>	<u>696,528,906</u>
Less Accumulated Depreciation or Amortization for:				
Buildings	(79,348,472)	(5,204,381)	-	(84,552,853)
Improvements other than buildings	(73,994,535)	(2,821,822)	-	(76,816,357)
Machinery and Equipment	(27,557,206)	(691,057)	471,968	(27,776,295)
Vehicles	(36,810,715)	(4,096,226)	3,918,560	(36,988,381)
Intangibles	(1,593,544)	(498,625)	-	(2,092,169)
Infrastructure	(151,930,525)	(11,590,122)	-	(163,520,647)
Total Accumulated Depreciation or Amortization	<u>(371,234,997)</u>	<u>(24,902,233)</u>	<u>4,390,528</u>	<u>(391,746,702)</u>
Total Capital Assets, being depreciated or amortized, net	<u>299,658,405</u>	<u>5,130,299</u>	<u>(6,500)</u>	<u>304,782,204</u>
Governmental Activities Capital Assets, net	\$ <u>744,811,612</u>	\$ <u>47,920,893</u>	\$ <u>(16,761,625)</u>	\$ <u>775,970,880</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated or amortized:				
Land	\$ 1,535,972	\$ -	\$ -	\$ 1,535,972
Construction in Progress	8,858,966	2,495,497	-	11,354,463
Total Capital Assets, not being depreciated	<u>10,394,938</u>	<u>2,495,497</u>	<u>-</u>	<u>12,890,435</u>
Capital Assets, being depreciated or amortized:				
Buildings	274,167,699	-	-	274,167,699
Improvements other than buildings	330,124,651	7,822,780	-	337,947,431
Machinery and Equipment	33,117,340	644,472	-	33,761,812
Vehicles	6,114,065	1,873,493	(712,023)	7,275,535
Intangibles	1,165,845	-	-	1,165,845
Infrastructure	32,764,570	-	-	32,764,570
Total Capital Assets, being depreciated or	<u>677,454,170</u>	<u>10,340,745</u>	<u>(712,023)</u>	<u>687,082,892</u>
Less Accumulated Depreciation or Amortization for:				
Buildings	(126,837,519)	(5,464,233)	-	(132,301,752)
Improvements other than buildings	(113,335,812)	(5,672,613)	-	(119,008,425)
Machinery and Equipment	(10,861,302)	(1,327,952)	-	(12,189,254)
Vehicles	(4,222,569)	(616,440)	711,773	(4,127,236)
Intangibles	(501,389)	(115,001)	-	(616,390)
Infrastructure	(2,352,089)	(585,171)	-	(2,937,260)
Total Accumulated Depreciation or	<u>(258,110,680)</u>	<u>(13,781,410)</u>	<u>711,773</u>	<u>(271,180,317)</u>
Total Capital Assets, being depreciated	<u>419,343,490</u>	<u>(3,440,665)</u>	<u>(250)</u>	<u>415,902,575</u>
Business-type Activities Capital Assets, net	\$ <u>429,738,428</u>	\$ <u>(945,168)</u>	\$ <u>(250)</u>	\$ <u>428,793,010</u>

Depreciation or Amortization Expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 1,912,207
Judicial	7,834
Libraries	1,043,038
Parks and Recreation	3,564,536
Public Safety	3,722,406
Public Works	14,598,658
Social Services & Health	<u>53,554</u>
Total Depreciation or Amortization Expense - Governmental Activities	\$ <u>24,902,233</u>

Business-type Activities

Water and Sewer	\$ <u>13,781,410</u>
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HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

Harford County Public Schools: Capital Asset Activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 9,672,942	\$ -	\$ -	\$ 9,672,942
Construction in Progress	85,819,612	45,392,071	(3,167,351)	128,044,332
Total Capital Assets, not being depreciated	95,492,554	45,392,071	(3,167,351)	137,717,274
Capital Assets, being depreciated				
Land Improvements	19,421,838	532,078	-	19,953,916
Buildings	817,383,885	1,396,901	3,142,451	821,923,237
Furniture and Equipment	49,252,631	6,398,610	(915,750)	54,735,491
Total Capital Assets, being depreciated	886,058,354	8,327,589	2,226,701	896,612,644
Accumulated Depreciation				
Land Improvements	(10,524,369)	(856,902)	-	(11,381,271)
Buildings	(241,933,321)	(18,151,351)	-	(260,084,672)
Furniture and Equipment	(40,539,072)	(2,342,937)	940,650	(41,941,359)
Total Accumulated Depreciation	(292,996,762)	(21,351,190)	940,650	(313,407,302)
Total Capital Assets, being depreciated, net	593,061,592	(13,023,601)	3,167,351	583,205,342
Total Capital Assets, net	\$ 688,554,146	\$ 32,368,470	\$ -	\$ 720,922,616

The Harford Center, Inc.: Capital Asset Activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Equipment - Other	\$ 260,895	\$ 3,919	\$ (5,520)	\$ 259,294
Equipment - Transportation	932,496	50,003	(124,580)	857,919
Leasehold Improvements	851,042	216,971	(86,647)	981,366
Total Capital Assets, being depreciated	2,044,433	270,893	(216,747)	2,098,579
Accumulated Depreciation:				
Capital Assets	(1,218,800)	(168,751)	212,116	(1,175,435)
Total Capital Assets, net	\$ 825,633	\$ 102,142	\$ (4,631)	\$ 923,144

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford Community College: Capital Asset Activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 3,741,759	\$ -	\$ -	\$ 3,741,759
Construction in Progress	-	1,060,187	-	1,060,187
Total Capital Assets, not being depreciated	3,741,759	1,060,187	-	4,801,946
Capital Assets, being depreciated				
Buildings and Improvements	143,071,911	-	-	143,071,911
Furniture and Equipment	6,563,192	317,889	(25,657)	6,855,424
Computer Technology	4,477,655	149,105	(5,995)	4,620,765
Vehicles	1,044,490	43,480	-	1,087,970
Library Books	1,537,814	61,248	(78,285)	1,520,777
Total Capital Assets, being depreciated	156,695,062	571,722	(109,937)	157,156,847
Accumulated Depreciation				
Buildings and Improvements	(50,107,349)	(4,270,598)	-	(54,377,947)
Furniture and Equipment	(5,077,669)	(371,942)	31,652	(5,417,959)
Computer Technology	(3,905,456)	(208,158)	-	(4,113,614)
Vehicles	(687,763)	(86,909)	-	(774,672)
Library Books	(1,022,997)	(103,344)	78,285	(1,048,056)
Total Accumulated Depreciation	(60,801,234)	(5,040,951)	109,937	(65,732,248)
Total Capital Assets, being depreciated, net	95,893,828	(4,469,229)	-	91,424,599
Total Capital Assets, net as restated	\$ 99,635,587	\$ (3,409,042)	\$ -	\$ 96,226,545

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford County Public Library: Capital Asset Activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Circulating Materials	\$ 4,879,518	\$ 1,439,952	\$ (1,825,175)	\$ 4,494,295
Improvements to Buildings	3,364,396	47,796	-	3,412,192
Furniture and Equipment	3,123,538	164,767	(5,659)	3,282,646
Computer Equipment	2,336,589	60,854	(39,222)	2,358,221
Vehicles	444,743	50,524	(81,162)	414,105
Copier Equipment	176,617	15,975	(29,855)	162,737
Total Capital Assets, being depreciated	<u>14,325,401</u>	<u>1,779,868</u>	<u>(1,981,073)</u>	<u>14,124,196</u>
Accumulated Depreciation:				
Circulating Materials	(2,579,945)	(1,562,278)	1,825,175	(2,317,048)
Improvements to Buildings	(1,485,426)	(270,979)	-	(1,756,405)
Furniture and Equipment	(2,551,786)	(160,940)	5,659	(2,707,067)
Computer Equipment	(2,249,843)	(55,727)	39,261	(2,266,309)
Vehicles	(357,205)	(26,354)	81,162	(302,397)
Copier Equipment	(128,406)	(12,287)	9,224	(131,469)
Total Accumulated Depreciation	<u>(9,352,611)</u>	<u>(2,088,565)</u>	<u>1,960,481</u>	<u>(9,480,695)</u>
Total Capital Assets, net	<u>\$ 4,972,790</u>	<u>\$ (308,697)</u>	<u>\$ (20,592)</u>	<u>\$ 4,643,501</u>

D. OPERATING LEASES

The County is obligated under certain leases accounted for as operating leases. All leases are subject to annual appropriations. During fiscal year 2021, rental expenditures approximated \$4,101,804. These expenditures were primarily from the General Fund. The following is a schedule, by years, of the future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2021:

Year Ending June 30,	Amount
2022	\$ 3,748,033
2023	2,728,499
2024	2,052,163
2025	1,718,773
2026	632,484
2027-2028	<u>227,012</u>
Total Minimum Payments Required	<u>\$ 11,106,964</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

a. DUE FROM PRIMARY GOVERNMENT AND DUE TO COMPONENT UNITS

Interfund receivables and payables result from the time lag between the time reimbursable expenditures occur in the component units and when the payments are made. As of June 30, 2021, these interfund balances are:

Primary Government:		Due to		Due From
Capital Projects Fund	\$	11,766,656	\$	-
Component Units:				
Harford County Public Schools		-		11,305,498
Harford Community College		-		456,710
Harford County Public Library		-		4,448
Total	\$	11,766,656	\$	11,766,656

b. INTERFUND TRANSFERS

Transfers are used to, (1) move general fund revenues to provide matching funds for various grant programs, (2) move operating fund revenues into the capital project fund as paygo monies, and (3) move revenues from capital project fund to the general fund to pay debt service. The interfund transfers for the current fiscal year are:

Transfers In

	General Fund	Grant Fund	Capital Project Fund	Total
Transfer Out				
General Fund	\$ -	\$ 2,257,611	\$ 11,469,866	\$ 13,727,477
Highways Fund	-	-	12,975,968	12,975,968
Capital Projects Fund	21,433,334	-	-	21,433,334
Non-major Gov't Funds	-	-	700,000	700,000
Total Transfers In	<u>\$ 21,433,334</u>	<u>\$ 2,257,611</u>	<u>\$ 25,145,834</u>	<u>\$ 48,836,779</u>

F. TAX ABATEMENTS

As of June 30, 2021, Harford County, Maryland provides tax abatements through three programs: the Payment in Lieu of Taxes (PILOT) Programs, Enterprise Zone Program, and the Agricultural Preservation Program.

A Payment in Lieu of Tax Program is an agreement between a jurisdiction and a developer, business, or landowner that substitutes a negotiated payment for annual real estate and personal property taxes that are traditionally due on property.

The PILOT for federal enclave property provides that a project developed on federal property be exempt from County and State real property taxes in consideration of the Developer's agreement to accrue a negotiated

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

liability based on the amount of rentable square feet that it has constructed each tax year in lieu of County and State real property taxes on the project. The Tax Property Article, Section 7-211.3 of the Maryland Annotated Code is the legal authority for this program. Harford County, Maryland passed Resolution 03-09 approving the execution by the County Executive of an Agreement for Payment in Lieu of Taxes with the Developer and the Maryland Department of Transportation. The Developer plans to develop an approximately 400-acre tract of land located on Aberdeen Proving Ground (APG) known as the Government and Technology Enterprise Project (GATE). Potentially approximately two million rentable square feet of office, laboratory, research and development, and hotel/conference space is to be made available to contractors that will support the mission of APG GATE Project. The Project will be exempt from County and State real property taxes in consideration of the Developer's agreement to accrue a negotiated liability based on the amount of rentable square feet that it has constructed each tax year. The PILOT payments under this agreement shall be dedicated to the construction of transportation and related improvements located within the area of land located generally within a three mile radius from the relocated entrance gate to APG accessible from Maryland Boulevard. In no event shall the PILOT payments in any given year exceed the amount of property tax that would otherwise be due to the State and County on the completed improvements on a cumulative basis under this Agreement if this Agreement were not in place. Current assessment information is not available for this property. Without an updated assessed value, the amount by which Harford County's revenues were reduced for this reporting period cannot be determined.

The Payment in Lieu of Tax Program (PILOT) for housing structures or projects constructed under a federal, state or local government program that funds construction, or insures its financing, or provides interest subsidy, rent subsidy or rent supplements and will operate the project as affordable senior housing or housing for lower or moderate income persons. The structures and facilities on the real property are governmentally controlled as to rents, charges, rates of return and methods of operation and operate on a nonprofit or limited distribution basis or the owner of the real property agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government program. The Tax Property Article, Section 7-505 and Section 7-506.1 of the Maryland Annotated Code are the legal authority for these programs. Harford County, Maryland has passed a resolution for each of the fourteen PILOT agreements under this program. Each of these fourteen agreements is separately negotiated and the PILOT payment is calculated in various ways. The agreements establish monthly rental payments for the apartment units with an escalation clause in many cases. These agreements range from 10 years to no expiration date as long as the property is used as affordable senior housing or housing for lower or moderate income persons. Most of these PILOT agreements contain language that the annual PILOT payment cannot exceed the calculated County real property tax for the property.

Section 7-514(c) of the Maryland Annotated Property tax Code authorizes and empowers a local government to enter into an agreement with the owner of a facility for the generation of electricity that located in the County for a negotiated payment by the owner in lieu of taxes on the facility. Harford County, Maryland entered into such an agreement with CSFG – UCH ENERGY, LLC. The County shall accept a payment of \$4,300 per year in lieu of personal property tax. This payment shall only be used for public health and public safety programs, projects or equipment in the County. This agreement shall extend for the same twenty year term as the Energy Services Agreement (ESA), effective beginning in the County's first fiscal tax year in which the System becomes taxable. The Payment in Lieu of Tax agreement shall expire when the ownership of the personal property transfers to Upper Chesapeake Hospital at which time it will become exempt from personal property tax, but not later than the tax year ending June 30, 2035.

Harford County Maryland grants real property tax credits to property that has been preserved under one of three programs to permanently preserve farmland. Those programs are the Harford County Agricultural Preservation Program, the Maryland Agricultural Land Preservation Foundation, and the Rural Legacy Program. To qualify

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

for a Harford County Property Tax credit the property must be located in the Agricultural district and the property must be subject to an agricultural preservation easement or an agreement not to develop the property for a shorter period of time. Under the easement program the property tax credit is calculated as the lesser of one hundred percent of the county real property tax or fifty dollars for each acre of property in the program. Under the district program, which includes properties not subject to an agricultural preservation easement, the credit is the lesser of fifty percent of the county real property tax for the property or fifty dollars for each acre of property in the program. The Tax Property Article, section 9-314 of the Maryland Annotated Code and Harford County Code sections 123-43.3, 123-43.3.1 and 123-43.3.2 are the authorization for this tax credit program.

Enterprise Zone Tax Credits are granted to an owner of qualified property located in the area designated as an Enterprise Zone by the Maryland Department of Business and Economic Development. The purpose of the zone is to encourage the creation of well-paying jobs, ensure retention and spur expansion of resident businesses, promote development and occupancy of vacant, underutilized land and buildings and support the county's commitment to revitalizing older industrial areas of Harford County. The Tax Property Article, Section 9-103 of the Maryland Annotated Code and the Harford County Code, Section 123-43.8 are the authorization for the Enterprise Zone program and corresponding tax credits. A ten-year tax credit against Harford County real property taxes on a portion of real property expansion, renovation or capital improvement is granted to properties that are approved by County Council resolution. The amount of credit is 80% of the eligible assessment in each of the first 5 years, and the credit decreases 10% annually (70%, 60%, 50%, 40%, and 30%) for the subsequent 5 years. As provided by the State of Maryland budget, the State shall remit to the County an amount equal to one-half of the funds granted for enterprise zone tax credits annually. For the County to receive a reimbursement by August 31 in any calendar year, the County shall submit an annual request to the Department of Assessments and Taxation on July 1 of that year.

Tax Abatement Program	Amount of Taxes Abated
PILOT Programs	\$ 604,009
Agricultural Preservation Credits	1,559,109
Enterprise Zone Credits	1,641,516
Total	<u>\$ 3,804,634</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

G. NON-CURRENT LIABILITIES

a. CHANGES IN NON-CURRENT LIABILITIES

PRIMARY GOVERNMENT

	Balance July 1, 2020	Additions	Principal Repayments & Reductions	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
Installment Purchase Agree. Bonds Payable	\$ 34,657,127	\$ 472,275	\$ (1,053,842)	\$ 34,075,560	\$ 610,447
General Obligation Bonds	448,291,779 ¹	52,215,000	(39,939,223)	460,567,556	39,976,165
Special Obligation Bonds	13,845,000	11,365,000	(13,845,000)	11,365,000	310,000
Premium on Issuance of Bonds	48,797,894 ¹	8,147,751	(5,445,782)	51,499,863	4,771,268
Landfill Closure/Solid Waste	23,325,145	103,074	(279,834)	23,148,385	309,834
Compensated Absences	25,577,851	5,461,519	(3,011,635)	28,027,735	9,395,145
Est. Liab. For Claims in Pro.	3,311,968	1,701,076	(2,170,463)	2,842,581	1,620,040
Net Pension Liability	140,264,601	17,825,539	(14,786,459)	143,303,681	-
Net OPEB Liability	98,653,361	840,010	-	99,493,371	-
Governmental Activities - Long-term Liabilities	\$ 836,724,726	\$ 98,131,244	\$ (80,532,238)	\$ 854,323,732	\$ 56,992,899
Business-type Activities:					
Bonds Payable					
General Obligation Bonds	\$ 102,413,221 ¹	\$ 2,785,000	\$ (8,810,776)	\$ 96,387,445	\$ 8,518,835
Premium on Issuance of Bonds	11,793,050 ¹	340,734	(1,376,832)	10,756,952	1,077,328
Compensated Absences	2,797,906	527,295	(245,791)	3,079,410	1,058,569
Net Pension Liability	9,905,469	1,016,320	-	10,921,789	-
Net OPEB Liability	12,153,778	73,839	-	12,227,617	-
Business-type activities - Long-term Liabilities	\$ 139,063,424	\$ 4,743,188	\$ (10,433,399)	\$ 133,373,213	\$ 10,654,732

¹ Governmental activities beginning balance for Bonds Payable - General Obligation Bonds decreased by \$48,797,894 due to separating the Premium on Issuance of Bonds as an additional line in the chart. Business-type activities beginning balance for Bonds Payable decreased by \$11,793,050 due to separating the Premium on Issuance of Bonds as an additional line in the chart.

Installment Purchase Agreements long-term debt has typically been liquidated in the Agricultural Land Preservation special revenue fund. Governmental Landfill Closure/Solid Waste, compensated absences, net OPEB liability and net pension liability typically have been liquidated in the General and other governmental funds. Special Obligation Bonds will be liquidated in the Beechtree TIF Debt Service Fund. Claims liabilities typically have been liquidated in the Self-Insurance fund. The debt limit for the primary government at June 30, 2021, was \$1,985,206,594 and the legal debt margin was \$1,473,139,175.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

Non-current liabilities in the component units consist of liabilities for compensated absences, other post employment benefits (OPEB), capital leases, and notes payable. The changes and the portion due within one year are as follows:

	Beginning Balance	Changes	Ending Balance	Due Within One Year
<u>Harford County Public Schools</u>				
Capital Leases	\$ 6,931,521	\$ (597,161)	\$ 6,334,360	\$ 616,688
Compensated Absences	33,597,843	1,458,555	35,056,398	5,212,775
Net OPEB Liability	1,258,036,000	(280,387,000)	977,649,000	-
Net Pension Liability	26,004,131	2,732,233	28,736,364	-
Total	<u>\$ 1,324,569,495</u>	<u>\$ (276,793,373)</u>	<u>\$ 1,047,776,122</u>	<u>\$ 5,829,463</u>
<u>Harford Center</u>				
Note Payable	\$ 425,000	\$ (100,000)	\$ 325,000	\$ -
Total	<u>\$ 425,000</u>	<u>\$ (100,000)</u>	<u>\$ 325,000</u>	<u>\$ -</u>
<u>Harford Community College</u>				
Compensated Absences	\$ 1,331,956	\$ 110,568	\$ 1,442,524	\$ 183,158
Net Pension Liability	1,289,761	68,942	1,358,703	-
Net OPEB Liability	49,129	(49,129)	-	-
Total	<u>\$ 2,670,846</u>	<u>\$ 130,381</u>	<u>\$ 2,801,227</u>	<u>\$ 183,158</u>
<u>Harford County Public Library</u>				
Capital Lease	\$ 30,291	\$ 616	\$ 30,907	\$ 9,987
Compensated Absences	467,578	14,886	482,464	-
Net OPEB Liability	24,374,632	(21,166,680)	3,207,952	-
Net Pension Liability	1,649,770	53,420	1,703,190	-
Total	<u>\$ 26,522,271</u>	<u>\$ (21,097,758)</u>	<u>\$ 5,424,513</u>	<u>\$ 9,987</u>

b. INSTALLMENT PURCHASE AGREEMENTS

PRIMARY GOVERNMENT

The County has entered into installment contracts to purchase easements for agricultural land preservation purposes. The primary source of revenue for repayment of the indebtedness is a transfer tax of one-half of one percent on all transfers of real property in the County. Under the terms of the installment contracts, which range in length from ten to twenty years, the County pays the property owner annual interest and minimal portions of the installment purchase price for the term of the agreement. The final principal payment is made with a stripped-coupon U.S. Treasury obligation purchased at settlement and held to maturity. The interest rate of the stripped-coupon U.S. Treasury obligation is the interest rate used for the installment purchase agreement.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Interest rates on securities owned at June 30, 2021, range from 0.78% to 5.91%. The annual requirements to amortize agricultural land preservation installments outstanding as of June 30, 2021, are as follows:

AGRICULTURAL LAND PRESERVATION INSTALLMENTS

Year Ending June 30,	Principal	Interest	Total Requirement
2022	\$ 610,447	\$ 1,076,730	\$ 1,687,177
2023	2,423,100	1,058,905	3,482,005
2024	1,687,264	950,599	2,637,863
2025	843,243	871,429	1,714,672
2026	1,158,736	842,508	2,001,244
2027	873,528	798,480	1,672,008
2028	1,069,909	767,585	1,837,494
2029	10,955,849	727,634	11,683,483
2030	2,524,995	363,009	2,888,004
2031	500,735	340,065	840,800
2032	5,705,713	329,710	6,035,423
2033	1,676,640	164,850	1,841,490
2034	49,910	113,627	163,537
2035	2,514,882	112,224	2,627,106
2036	18,279	38,341	56,620
2037	1,462,330	37,867	1,500,197
Total	\$ 34,075,560	\$ 8,593,563	\$ 42,669,123

For the year ended June 30, 2021, total principal and interest incurred related to agricultural land preservation installment was \$1,053,842 and \$1,112,004, respectively.

c. BONDS PAYABLE

1. General Obligation Bonds

PRIMARY GOVERNMENT

All general obligation bonds are valid and legally binding general obligations of the County and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. Governmental bonds are payable from ad valorem taxes, unlimited as to rate or amount on all real tangible, personal, and certain intangible property subject to taxation at full rates for local purposes in the County. Those portions of the Public Improvement Bonds of 2010, 2012-2021 allocated to school projects are payable in the first instance from recordation and transfer tax revenues and impact fees.

Business-type (Water and Sewer) bonds are payable from investment income of the Water and Sewer Fund, area connection charges, user benefit assessments, benefit assessments and surcharge assessments. In Fiscal Year

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

2021, the County issued \$52,215,000 in the Governmental activities and \$2,785,000 in the Business-Type activities of general obligation bonds. As of June 30, 2021, general obligation bonds payable are comprised of the following individual issues:

Governmental activities:	Originally Issued	Outstanding as of June 30, 2021
Refunding Bond of 2010 - 2.5% - 5.0% - due serially to 2021	\$ 25,161,828	\$ 1,147,270
Public Improvement Bond of 2012 - 2.0% - 5.0% due serially to 2032	40,000,000	23,053,910
Refunding Bond of 2012 - 2.0% - 4.0% - due serially to 2024	6,931,393	1,945,935
Public Improvement Bond of 2013 - 3.0% - 5.0% due serially to 2033	30,000,000	18,000,000
Refunding Bond of 2013 - 2.0% - 5.0% - due serially to 2028	59,750,398	33,096,407
Public Improvement Bond of 2014 - 2.0% - 5.0% due serially to 2034	33,180,257	21,560,257
Public Improvement Bond of 2015 - 3.0% - 5.0% due serially to 2034	42,000,000	29,400,000
Refunding Bond of 2015 - 2.95% - 5.0% - due serially to 2029	55,994,243	49,975,983
Public Improvement Bond of 2016 - 2.0% - 5.0% due serially to 2035	27,132,515	20,349,386
Public Improvement Bond of 2017 - 3.0% - 5.0% due serially to 2036	53,177,000	42,537,000
Public Improvement Bond of 2018 - 2.5% - 5.0% due serially to 2037	43,000,000	36,550,000
Public Improvement Bond of 2019 - 3.0% - 5.0% due serially to 2038	34,000,000	30,600,000
Public Improvement Bond of 2020 - 1.5% - 5.0% - due serially to 2039	37,000,000	35,150,000
Refunding Bond of 2020 - 5.0% - due serially to 2040	64,986,408	64,986,408
Public Improvements Bond of 2021 - 1.3% - 5.0% - due serially to 2040	52,215,000	52,215,000
Total Bonds Outstanding	<u>\$ 604,529,042</u>	<u>\$ 460,567,556</u>

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2022	\$ 39,976,165	\$ 17,280,501	\$ 57,256,666
2023	38,392,104	15,239,027	53,631,131
2024	37,671,431	13,481,562	51,152,993
2025	36,845,746	11,963,484	48,809,230
2026	35,861,037	10,373,505	46,234,542
2027-2031	159,080,057	31,868,435	190,948,492
2032-2036	80,235,266	9,169,202	89,404,468
2037-2041	32,505,750	1,314,145	33,819,895
Total	<u>\$ 460,567,556</u>	<u>\$ 110,689,861</u>	<u>\$ 571,257,417</u>

For the year ended June 30, 2021, total principal and interest incurred related to general obligation bonds was \$39,939,223 and \$16,021,677, respectively.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Business-Type Activities:	Originally Issued	Outstanding as of June 30, 2021
Refunding Bond of 2010 - 2.5% - 5.0% - due serially to 2021	\$ 608,172	\$ 27,730
Public Improvement Bond of 2012 - 2.0% - 5.0% - due serially to 2032	15,000,000	8,646,090
Refunding Bond of 2012 - 2.0% - 4.0% - due serially to 2024	2,043,607	574,065
Public Improvement Bond of 2013 - 3.0% - 5.0% - due serially to 2033	10,000,000	6,885,000
Refunding Bond of 2013 - 2.0% - 5.0% - due serially to 2028	14,909,602	8,258,594
Public Improvement Bond of 2014 - 2.0% - 5.0% - due serially to 2034	6,819,743	4,999,743
Public Improvement Bond of 2015 - 3.0% - 5.0% - due serially to 2034	3,000,000	2,330,000
Refunding Bond of 2015 - 2.95% - 5.0% - due serially to 2029	13,925,757	12,429,017
Public Improvement Bond of 2016 - 2.0% - 5.0% - due serially to 2035	12,867,485	10,640,614
Public Improvement Bond of 2017 - 3.0% - 5.0% - due serially to 2036	1,823,000	1,573,000
Public Improvement Bond of 2018 -2.5% - 5.0% - due serially to 2037	7,000,000	6,345,000
Public Improvement Bond of 2019 -3.0% - 5.0% - due serially to 2038	6,000,000	5,400,000
Public Improvement Bond of 2020 -2.0% - 5.0% - due serially to 2039	3,000,000	2,850,000
Refunding Bond of 2020 - 5.0% - due serially to 2040	22,643,592	22,643,592
Public Improvement Bond of 2021 -1.3% - 5.0% - due serially to 2040	2,785,000	2,785,000
Total Bonds Outstanding	\$ 122,425,958	\$ 96,387,445

The annual requirements to amortize business-type activities bonded debt outstanding as of June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2022	\$ 8,518,835	\$ 3,679,517	\$ 12,198,352
2023	8,472,896	3,272,914	11,745,810
2024	8,388,569	2,889,367	11,277,936
2025	8,249,254	2,447,919	10,697,173
2026	8,103,963	2,202,849	10,306,812
2027-2031	37,054,943	6,486,975	43,541,918
2032-2036	14,279,734	1,489,605	15,769,339
2037-2041	3,319,251	134,896	3,454,147
Total	\$ 96,387,445	\$ 22,604,042	\$ 118,991,487

For the year ended June 30, 2021, total principal and interest incurred related to business-type activities was \$8,810,776 and \$2,466,394 respectively.

2. Special Obligations Bonds

PRIMARY GOVERNMENT

As of June 30, 2021, there was \$11,365,000 of Special Obligation Tax Increment Bonds payable from property tax revenue generated from assessment increases occurring since the formation of the tax increment district. This debt is included in the primary government's long term debt on the Statement of Net Position. In the future,

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

these bonds will be paid from incremental property tax revenue and/or special district tax on the district. These bonds do not have Harford County, Maryland's full faith and credit pledged.

Governmental activities:	<u>Originally Issued</u>	<u>Outstanding as of June 30, 2021</u>
Special Obligation Bond of 2021		
4% - due serially to 2041	\$ 11,365,000	\$ 11,365,000
Total	<u>\$ 11,365,000</u>	<u>\$ 11,365,000</u>

The annual requirements to amortize special obligation bond debt outstanding as of June 30, 2021, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2022	\$ 310,000	\$ 411,727	\$ 721,727
2023	405,000	432,075	837,075
2024	415,000	417,700	832,700
2025	430,000	400,800	830,800
2026	450,000	383,200	833,200
2027-2031	2,525,000	1,626,500	4,151,500
2032-2036	3,080,000	1,067,600	4,147,600
2037-2041	3,750,000	387,000	4,137,000
Total	<u>\$ 11,365,000</u>	<u>\$ 5,126,602</u>	<u>\$ 16,491,602</u>

For the year ended June 30, 2021, the total principal and interest incurred related to Special Obligation Bonds was \$100,000 and \$1,034,625, respectively. The total principal paid for the year ended June 30, 2021 for the refunding of bonds was \$13,745,000.

d. CAPITAL LEASE OBLIGATIONS

COMPONENT UNITS

Harford County Public Schools: The Public Schools have entered into lease agreements as lessee to construct the administration building in the amount of \$11,400,223, which was completed in January 2006. The lease agreement is for a period of twenty-five years. The debt was refinanced on May 30, 2012 at a rate of 3.27%. The term of the debt was not extended. The asset acquired and capitalized under the capital lease is as follows

Building Cost	\$ 10,852,395
Less: Accumulated Depreciation	<u>(3,364,242)</u>
Net Book Value	<u>\$ 7,488,153</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

Year Ending June 30,	Amount
2022	\$ 823,822
2023	823,822
2024	823,822
2025	823,822
2026	823,822
2027-2030	3,295,288
Total Minimum Lease Payments	7,414,398
Less : Amount Representing Interest	(1,080,038)
Present Value Minimum Lease Payments	\$ 6,334,360

Harford County Public Library: The Library is the lessee of copiers and related equipment under capital leases expiring through 2025. The assets and liabilities under these leases are recorded at the lower of the minimum lease payments or the fair value of the assets and amortized over the life of the lease term, typically five years. Included in property and equipment are assets under these leases with a cost of \$162,737 as of June 30, 2021. Depreciation of assets under capital leases is included in depreciation expense. The depreciation expense relating to the leases was \$12,287 for the year ended June 30, 2021. Accumulated depreciation relating to the leases was \$131,469 as of June 30, 2021. Future minimum lease payments under capital leases are as follows:

Year Ending June 30,	Amount
2022	\$ 12,711
2023	12,238
2024	10,510
2025	440
Total Minimum Lease Payments	35,899
Less : Amount Representing Interest	(4,992)
Present Value Minimum Lease Payments	\$ 30,907

e. NOTES PAYABLE

COMPONENT UNITS

Harford Center, Inc.: During the year ended June 30, 2021, the Center received Paycheck Protection Program (PPP) notes payable in the amount of \$325,000. The PPP loan was received from the U.S. Federal government under the Coronavirus Aid, Relief and Economic Security (CARES) Act passed by Congress. The term of the note requires the proceeds to be spent on eligible expenses, which are primarily payroll related costs. Part or all of the note may be forgiven based on meeting certain conditions as set forth in the note agreement. Any portion of the PPP note that is not forgiven must be repaid over two years after a six-month deferral period at an interest rate of 1.0%. Section 1106 of the CARES Act. At the time of the audit report, the Center has not applied for the loan forgiveness.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

f. LANDFILL CLOSURE/SOLID WASTE LIABILITIES

PRIMARY GOVERNMENT

Subtitle D of the Resource Conservation and Recovery Act of 1976, as amended, provides Federal regulations for municipal solid waste landfill closure and post-closure care. The State of Maryland's laws for solid waste management parallel Federal law. The permit for the Harford Waste Disposal Center is issued by the State and is subject to renewal every five years. Federal and State laws and regulations require the County to place a final cover on the Harford Waste Disposal Center when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for a thirty-year period after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, GASB Statement No. 18 requires the County to measure and recognize a portion of these closure and post-closure care costs each period based on landfill capacity used as of each balance sheet date.

As of June 30, 2021, the following changes occurred in Landfill Closure Liability recorded in Non-current Liabilities in the Statement of Net Position:

	Beginning Balance	Current Year Additions (Deductions)	Ending Balance
Cumulative Liability for Open Landfills	\$ 10,323,387	\$ 103,074	\$ 10,426,461
Estimated Liability for Closed Landfills	4,142,255	(279,834)	3,862,421
Waste to Energy Liability	8,859,503	-	8,859,503
	<u>\$ 23,325,145</u>	<u>\$ (176,760)</u>	<u>\$ 23,148,385</u>

The Cumulative Liability for Open Landfills represents the cost, based on use of 83.6% of the estimated capacity. The County will recognize the remaining estimated cost of the Harford Waste Disposal Center closure and post-closure of \$2,045,205 as the remaining estimated capacity is used.

The Cumulative Liability for Open Landfills as of June 30, 2021 is \$10,426,461. Harford County has a landfill capping capital project with a remaining balance of \$1,592,903 resulting from prior appropriations to begin the closure of the older cells and has assigned fund balance of \$8,833,558 for future closure of cells and post closure costs.

The total estimated future cost of landfill closure is calculated in current dollars. Annual reevaluation of the estimated total cost of closure and post-closure care will be made to adjust for the effects of inflation or deflation, changes in the closure or post-closure plan, and changes in federal, state and local regulatory requirements.

The Estimated Liability for Closed Landfills represents the cost for final closure and post-closure care of Harford County municipal solid waste landfills that are no longer accepting solid waste.

The County was issued a Refuse Disposal Permit (2000-WMY-0570) on October 5, 2007, which provides for construction and operation of new landfill cells at the Harford Waste Disposal Center. The total remaining service life of the permitted landfill is estimated to be 20 or more years, depending upon future waste management practices.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford County executed an agreement with Northeast Maryland Waste Disposal Authority to operate the Harford Waste-to-Energy facility. The agreement states that Harford County will reimburse all expenditures associated with the facility. Northeast Maryland Waste Disposal Authority has a property lease with U.S. Army for the land that the facility is built upon. In accordance with terms of the property lease, when the facility is decommissioned, the land must be restored to its original state. In Fiscal Year 2014, it was determined that the facility would be decommissioned by 2016 and thus the County recorded a long-term liability for the estimated cost of \$12,000,000 to restore the land to its original state. Decommissioning costs of \$3,140,497 were incurred, leaving a liability of \$8,859,503 at June 30, 2021. Harford County has a Waste-to-Energy facility capital project with a remaining balance of \$5,023,256, resulting from prior appropriations to begin the closure of the facility. There is an assigned fund balance of \$3,836,247 remaining for the estimated cost of the facility closure.

g. ADVANCED REFUNDING OF DEBT

On January 26, 2021, Harford County issued \$11,365,000 of Special Obligation Refunding Bonds (Beechtree Estates Project), Series 2021 with an effective interest rate of 2.43%, to provide resources to refund certain maturities of the 2011 bonds. These resources were placed in an irrevocable trust to provide for all future debt service payments of \$11,365,000 of special obligation bonds. Of this amount, \$11,365,000 had been recorded in the Statement of Net Position, Exhibit 1, Governmental Activities column. As of June 30, 2021, the refunded bonds are considered defeased and have been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by a net of \$71,589. Of this amount, a loss of \$71,589 has been recorded in the governmental activities. This amount is being netted against the new debt and amortized on a straight-line basis over the remaining life of the new debt. This advanced refunding was undertaken to reduce total debt service payments over the next 20 years by \$11,247,085 and resulted in an economic gain of \$8,235,597.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

H. FUND BALANCE – GOVERNMENTAL FUNDS

	General	Highways	Grants	Agricultural Land Preservation	Capital Projects	Non-major Governmental Funds	Total
Nonspendable:							
Inventory	\$ -	\$ 1,359,855	\$ -	\$ -	\$ -	\$ -	\$ 1,359,855
Long Term Rec.	889,113	-	-	-	-	-	889,113
Sub-total	889,113	1,359,855	-	-	-	-	2,248,968
Restricted for:							
Education	-	-	-	-	8,073,746	-	8,073,746
Bond Proceeds	7,323,980	1,201,552	-	-	40,912	932,836	9,499,280
Debt Service	-	-	-	-	-	2,083,114	2,083,114
Public Safety	136,814	-	-	-	-	-	136,814
Highways - PILOT	-	261,179	-	-	-	-	261,179
Parks and Rec	-	-	-	-	2,676,739	-	2,676,739
Grants	-	-	10,001,207	-	-	-	10,001,207
Sub-total	7,460,794	1,462,731	10,001,207	-	10,791,397	3,015,950	32,732,079
Assigned to:							
Subsequent Year's Expenditure:							
Use in fiscal year 2022 budget	35,357,537	6,804,494	-	-	-	-	42,162,031
Use in fiscal year 2023 budget	37,000,000	-	-	-	-	-	37,000,000
Fiscal Stabilization Fund	32,931,250	2,845,000	-	-	-	-	35,776,250
Encumbrances:							
General Government	702,405	-	-	-	-	-	702,405
Judicial	8,125	-	-	-	-	-	8,125
Public Safety	730,875	-	-	-	-	-	730,875
Public Works	-	992,507	-	-	-	35,304	1,027,811
Parks and Recreation	41,745	-	-	-	-	-	41,745
Social Services	7,786	-	-	-	-	-	7,786
Other Post Employee Benefits	1,401,102	150,818	-	-	-	1,254	1,553,174
Landfill Closure Costs	8,833,558	-	-	-	-	-	8,833,558
WTE Plant Closure	3,836,247	-	-	-	-	-	3,836,247
Income Tax	1,792,901	-	-	-	-	-	1,792,901
Healthcare Consortium	2,469,639	270,987	-	-	-	4,679	2,745,305
Development Rights	-	-	-	25,871,501	-	-	25,871,501
Stormwater Management	30,000,000	-	-	-	-	10,143,826	40,143,826
Highways	-	10,054,721	-	-	-	-	10,054,721
Ag. Preservation	-	-	-	27,105,655	-	-	27,105,655
Capital Projects	-	-	-	-	-	-	-
P&R Fund	-	-	-	-	-	25,984	25,984
Sub-total	155,113,170	21,118,527	-	52,977,156	-	10,211,047	239,419,900
Unassigned:	20,553,685	-	-	-	(4,185,151)	-	16,368,534
Total Fund Balances	\$ 184,016,762	\$ 23,941,113	\$ 10,001,207	\$ 52,977,156	\$ 6,606,246	\$ 13,226,997	\$ 290,769,481

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION

A. SELF-INSURANCE/RISK MANAGEMENT

PRIMARY GOVERNMENT

The County carries commercial property insurance coverage with a \$25,000 deductible on both real and personal property, and a \$10,000 deductible for physical damage to County-owned vehicles.

The County is self-insured for Workers' Compensation, General and Automobile liability losses. The self-insurance program is administered by a risk manager as established by the Harford County Code. The County carries excess coverage for these exposures, with a \$350,000 retention for General and Automobile liability claims and a \$2,500,000 retention for Workers' Compensation claims.

The pending claims liability of \$2,842,581 reported in the Internal Service fund as of June 30, 2021, is comprised of estimates of outstanding losses (including allocated loss adjustment expenses, which are the direct expenses to settle specific claims) and losses projected to be paid as of June 30, 2021. The estimated outstanding losses are the cost of unpaid claims, including case reserves, the development of known claims and claims incurred but not reported. The amounts are limited to the self-insured retention. No estimate was made for unpaid unallocated loss adjustment expenses. The losses projected to be paid are the claim disbursements, regardless of accident or report date. Historical experience and actuarial assumptions were the basis used in estimating the liabilities for unpaid claims.

There have been no significant reductions in insurance coverage from the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years. The changes in the fund's claims liability are as follows:

Fiscal Year	Beginning of Year	Claims and Changes in Estimates	Payments	End of Year
2019	\$ 3,743,402	\$ 2,850,425	\$ (1,999,537)	\$ 4,594,290
2020	4,594,290	(61,004)	(1,221,318)	3,311,968
2021	3,311,968	1,701,076	(2,170,463)	2,842,581

COMPONENT UNITS

Harford County Public Schools: The Public Schools are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Public Schools participate in the Maryland Association of Boards of Education (MABE) Group Insurance Pool and the Worker's Compensation Self Insurance Fund.

These public entity risk pools are self-insurance funds for the various member Maryland Boards of Education to minimize the cost of insurance and related administrative expenses.

Coverage is provided up to specified limits and the Public Schools pay an annual premium for the coverage provided. In addition to general liability insurance, the Group Insurance Pool also provides coverage for property liability and automobile liability. Coverage above these limits is provided by third party insurance carriers. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Harford Community College: The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident; and natural disasters. The

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

College purchases commercial insurance to protect its interest in its property and equipment, insurance against employee dishonesty and liability protection.

Harford County Public Library: The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Harford County Government purchases commercial insurance to cover the Library's buildings. Other claims are covered by Harford County Government's Self-Insurance fund. As a condition to this participation, the Library must provide, at Harford County Government's request, a physical inventory of all building contents, which the risk management department of Harford County Government appraises for insurance purposes. In addition, Harford County Government performs an inspection of all Library buildings annually. There have been no significant reductions in insurance coverage from the prior year. In addition, the amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

B. COMMITMENT AND CONTINGENCIES

PRIMARY GOVERNMENT

The County is involved in numerous lawsuits that normally occur in governmental operations, including claims for personal injury and personnel practices and disputes over contractual obligations and condemnation proceedings. The County has provided allowances for estimated probable losses on outstanding claims and incurred but not reported claims. The County is actively defending its position in each of these cases.

The County and Component Units receive significant financial assistance from the U.S. Government and the State of Maryland in the form of grants. Entitlement to grant resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal and State regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits in accordance with grantor requirements. Any disallowance as a result of these audits becomes a liability of the County. As of June 30, 2021, the County estimates that no material liabilities will result from such audits.

The County had \$201,610,465 authorized but unobligated capital project appropriations as of June 30, 2021, in the governmental capital fund and \$69,145,197 in the water and sewer, business-type capital fund. Further detail is provided as supplementary information, Exhibit F-1 and G-1.

COMPONENT UNITS

Harford County Public Schools: The Public Schools have been named as defendant in several lawsuits in the normal course of business, the outcomes of which are uncertain. It is anticipated by the Public Schools that an adverse decision on any or all of these suits would not have a material adverse effect on these financial statements.

The Public Schools lease certain equipment and properties for storage and other uses under long-term operating leases. Expenditures under operating leases amounted to approximately \$1,278,305 for the year ended June 30, 2021.

Harford Community College: The College has outstanding commitments for ongoing capital projects and deferred maintenance of \$1,891,995 as of June 30, 2021.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

The College is party to certain claims and litigation arising in the ordinary course of business. In the opinion of management, the resolution of such claims and litigation will not materially affect the College's net position.

In July 2012, the College entered into a 20-year solar power purchase agreement with Tecta Solar Harford, LLC (Tecta). Tecta will furnish, install, maintain and own four roof mounted solar electric generating facilities at the College. The College has agreed to purchase all of the electricity produced by these solar facilities according to the terms as set forth in the agreement with Tecta. In the event of default by the College, Tecta is entitled to terminate the agreement and recover a prescribed termination payment for the applicable billing year. The termination payment that would be required in Year 9 would be \$1,227,601.

C. ARBITRAGE REBATE REQUIREMENTS

PRIMARY GOVERNMENT

Arbitrage rebate requirements under Internal Revenue Code Section 1.148-3 apply to the County's investment of the proceeds of the Consolidated Public Improvement Bonds of 2010, 2012, 2013, 2016, 2018, 2019, 2020 and 2021. The law requires the computation and payment of arbitrage profits on unspent proceeds of a bond issue if the current investment of these funds yields a higher rate of return than the original bond issue. The filing of this computation and payment to the Internal Revenue Service is required at the end of the fifth year of the bond issuance date and every 5 years subsequently; however, computations and filings can be made for annual periods. There is no rebatable arbitrage to report as of June 30, 2021.

D. CONDUIT DEBT

PRIMARY GOVERNMENT

From time to time, the County has issued Maryland Industrial Development Revenue Bonds, Maryland Economic Development Revenue Bonds, and Maryland Mortgage Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities and provision of housing deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021, there were 5 series of Industrial Development, Economic Development, or Mortgage Revenue Bonds outstanding. The aggregate principal amount outstanding is \$62.3 million.

E. RETIREMENT PLANS

PRIMARY GOVERNMENT

a. PENSION PLANS - OVERVIEW

Harford County, Maryland participates in three pension plans. The first plan is comprised of the Employees/Teachers Retirement System, the Employees/Teachers Pension System, and the Law Enforcement Officers Pension System, administered by the State Retirement and Pension System of Maryland. This plan is a cost-sharing multiple employer defined benefit system whose primary sponsor is the State of Maryland. The second plan is the Length of Service Award Program for Volunteer Firemen. This plan is a single employer

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

length of service award program. The final plan is the Sheriff's Office Pension System. This plan is a single employer defined benefit system.

For the year ended June 30, 2021, the County recognized aggregated pension assets of \$2,094,185, aggregated pension liabilities of \$154,225,470, and aggregated pension expense of \$26,107,010 for all three pension systems. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the three pension systems from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 16,610,259	\$ -
Changes in Assumptions	903,147	3,462,908
Changes in Proportion	14,486,900	1,575,952
Differences Between Actual and Proportionate Share of Contributions	60,994	8,229
Difference Between Expected and Actual Experience	1,014,820	7,147,127
Net Difference between Projected and Actual Investments Earnings	-	3,792,074
Total	\$ <u>33,076,120</u>	\$ <u>15,986,290</u>

b. PENSION PLANS – TEACHERS AND CLASSIFIED EMPLOYEES

PRIMARY GOVERNMENT/COMPONENT UNITS

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees/Teachers Retirement System, the Employees/Teachers Pension System, and the Law Enforcement Officers Pension System administered by the State Retirement and Pension System of Maryland (System), and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description: The employees of the reporting entity, other than certain correctional employees, who are covered by the Sheriff's Office Pension System, are covered by either the Employees/Teachers Retirement System, the Employees/Teachers Pension System, or the Law Enforcement Officers Pension System. These plans are administered by the State Retirement and Pension System of Maryland (the System). The State of Maryland is the primary sponsor of this cost-sharing multiple employers defined benefit system which provides pension benefits, death and disability benefits to plan members and their beneficiaries. The State Personnel and Pensions Article of the Annotated Code of Maryland specify all plan benefits to plan members. The System issues a publicly available financial report that includes financial statements and required supplementary

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

information. That report may be obtained by writing to the State Retirement System, State Office Building, 120 East Baltimore Street, Baltimore, Maryland, 21202, by visiting their website, or by calling 410-625-5555.

Contributions: Plan members of the Employees Retirement System contribute up to 7.0% of their covered salary each fiscal year. Plan members of the Employees Pension System contribute 5.0% of their covered salary each fiscal year. Members of the Law Enforcement Officers Pension System contribute 7.0% of their covered salary each fiscal year. The County and its component units are required to contribute at an actuarially determined rate.

The contribution requirements of plan members of the reporting entity are established and may be amended by the System Board of Trustees.

The contributions for the fiscal year ending June 30, 2021 to the System, exclusive of contributions made directly by the State of Maryland, were equal to the actuarially determined amount, as follows:

	2021	2020	2019
Primary Government	\$ 16,610,259	\$ 14,332,855	\$ 13,166,502

PRIMARY GOVERNMENT

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2021, the County reported a liability of \$151,087,921 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participants members, actuarially determined. As of June 30, 2020, the County's proportion was 0.6684904%. This is an increase of 0.0273163% from the prior fiscal year.

For the year ended June 30, 2021, the County recognized pension expense of \$22,329,527. As of June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
County Contributions Subsequent to the Measurement Date	\$ 16,610,259	\$ -
Changes in Assumptions	673,367	2,830,413
Changes in Proportion	14,486,900	1,575,952
Differences Between Actual and Proportionate Share of Contributions	60,994	8,229
Difference Between Expected and Actual Experience	-	5,667,933
Net Difference between Projected and Actual Investments Earnings	11,319,446	-
Total	\$ <u>43,150,966</u>	\$ <u>10,082,527</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

Contributions subsequent to the measurement date in the amount of \$16,610,259, reported as deferred outflows of resources related to pensions, will be recognized as a reduction in net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2022	\$ 2,779,589
2023	4,455,655
2024	5,224,469
2025	3,558,330
2026	440,137
Total	\$ 16,458,180

Actuarial Assumptions: The key actuarial assumptions used to perform the June 30, 2020, pension liability calculations are as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Inflation	2.60% general, 3.10% wage
Salary Increases	3.10% to 11.60%, including wage inflation
Discount Rate	7.40%
Investment Rate of Return	7.40%
Mortality	Fully generational – PB-2010/MP2018

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the System's Board after considering input from the System's investment consultant(s) and actuary(s). For each major asset class that is included in the System's target asset allocation, the best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	37%	5.2%
Private Equity	13%	6.5%
Rate Sensitive	19%	-0.3%
Credit Opportunity	9%	2.8%
Real Assets	14%	4.3%
Absolute Return	8%	1.8%
Total	100%	

Discount Rate: A single discount rate of 7.4% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.4%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at

HARFORD COUNTY, MARYLAND
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NOTE 5 – OTHER INFORMATION – CONTINUED

the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate: The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.4%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.4%) or 1 percentage point higher (8.4%) than the current rate:

	1% Decrease 6.4%	Discount Rate 7.4%	1% Increase 8.4%
County's Proportionate Share of the Net Pension Liability	\$ 215,098,117	\$ 151,087,921	\$ 97,773,439

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued System's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This can be found at <https://sra.maryland.gov/annual-financial-reports>.

COMPONENT UNITS

Harford County Public Schools: As of June 30, 2021, the Public Schools reported a liability of approximately \$28.7 million for its proportionate share of the Employees Retirement System of the State of Maryland (ERS) net pension liability. The ERS net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Public Schools proportion of the ERS net pension liability was based on a projection of the Public Schools long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. As of June 30, 2021, the Public Schools proportion for ERS was 0.13%, which was substantially the same from its proportion measured as of June 30, 2020. For the year ended June 30, 2021, the Public Schools recognized pension expense for ERS of approximately \$0.1 million. As of June 30, 2021, the Public Schools reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 3,049,206	\$ -
Changes in Assumptions	115,936	556,557
Changes in Proportion	2,195,329	1,179,668
Differences Between Actual and Proportionate Share of Contributions	12,829	1,597
Differences in Expected and Actual Experience	-	913,906
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,157,401	-
Total	<u>\$ 7,530,701</u>	<u>\$ 2,651,728</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 5 – OTHER INFORMATION – CONTINUED

Detailed retirement plan information for the Public Schools is available in their current year audited financial statements.

Harford Community College: As of June 30, 2021, the College reported a liability of \$1,358,703 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's contributions to the System in relation to total system contributions including direct aid from the State of Maryland. At June 30, 2021, the College's proportionate share was 0.0060%.

For the year ended June 30, 2021 the College recognized pension expenses of \$184,897. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 131,965	\$ -
Changes in Assumptions	6,477	27,604
Change in Proportion	115,844	66,470
Change in Proportion Share of Contributions	652	60
Difference Between Expected and Actual Experience	-	54,229
Net Difference Between Projected and Actual		
Investment Earnings	102,496	-
Total	\$ <u>357,434</u>	\$ <u>148,363</u>

Detailed retirement plan information for the College is available in their current year audited financial statements.

Harford County Public Library: In relation to employees participating in the State Retirement and Pension System (System) at June 30, 2021, the Library reported a liability of \$1,703,190 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. At June 30, 2020, the Library's proportion was approximately 0.0075358%.

For the year ended June 30, 2021, the Library recognized pension expense of \$22,302. At the measurement date of June 30, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTE 5 – OTHER INFORMATION – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 190,832	\$ -
Changes in Assumptions	8,053	35,309
Change in Proportion	206,735	133,796
Difference Between Expected and Actual Experience	-	67,370
Net Difference Between Projected and Actual Investment Earnings	129,371	-
Total	<u>\$ 534,991</u>	<u>\$ 236,475</u>

The deferred outflow of resources of \$190,832 relating to contributions subsequent to the measurement date of June 30, 2020 will be recognized as a reduction of the Library's net pension liability during the year ending June 30, 2022. The deferred outflows and inflows of resources due to change in assumptions, differences between expected and actual experience, change in proportion, and differences between projected and actual investment earnings represent the Library's proportionate share of the unamortized portions of the System's original amounts.

Detailed retirement plan information for the Library is available in their current year audited financial statements.

c. PENSION PLAN – SHERIFF'S OFFICE PENSION SYSTEM

PRIMARY GOVERNMENT

1. Summary of Significant Accounting Policies

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriff's Office Pension System (SOPS) and additions to/deductions from the SOPS's fiduciary net position have been determined on the same basis as they are reported by the SOPS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. General Pension Plan Information

The County instituted and began administering a single employer defined benefit pension plan, the Sheriff's Office Pension System (SOPS) effective July 1, 1997, for certain law enforcement and correctional employees of the Office of the Sheriff of Harford County. Harford County Government does not issue a separate financial statement for the SOPS.

Plan Description: The Internal Revenue Service issued a determination letter on September 20, 2002, which stated that the Plan and its underlying trust qualify under the applicable provision of the Internal Revenue Code, and therefore are exempt from Federal income taxes. In the opinion of the Plan Administrator, the Plan and its underlying trust have operated within the terms of the Plan and remain qualified under the applicable provisions of the Internal Revenue Code.

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NOTE 5 – OTHER INFORMATION – CONTINUED

Management of the SOPS is vested with the Trustees of the Plan. The County Plan has five trustees who shall be the County Treasurer or Acting Treasurer, the County Attorney or Acting County Attorney, the Director of Human Resources or Acting Director of Human Resources and two representatives who are each selected by the covered individuals of certified law enforcement employees and certified correctional service employees.

Harford County Bill No. 97-20 assigns the authority to establish and amend the benefit provisions of the plan to the government by county ordinance.

The membership data related to the SOPS at July 1, 2020 was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	96
Terminated Plan Members Entitled to, but not yet Receiving Benefits	7
Active Plan Members	134
Total	<u>237</u>

Benefits Provided: The SOPS provides retirement, disability and death benefits to plan members and their beneficiaries. Effective May 20, 2013, per Bill 13-9, the cost of living adjustment shall not exceed 3.0% for a participant's benefit attributable to years of creditable service earned before July 1, 2013. Effective beginning with the cost of living adjustment (COLA) for July 1, 2014, with respect to the portion of a participant's benefit attributable to years of creditable service earned on or after July 1, 2013, the COLA shall not exceed 2.5%, if the actual rate of return of the plan's assets is less than 7.0% the COLA shall not exceed 1% applied each July 1st for all participants in pay status for the requisite 12 months.

Contributions: Plan members are required to contribute 7.0% of their annual covered salary. The County is required to contribute at an actuarially determined rate, currently 30.9% of covered payroll. Per Bill 97-20, contribution requirements of the plan members and the County are established and may be amended by County legislature. Administrative costs of the SOPS are to be paid by the trust unless the County decides to do so.

3. Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. The County has hired an investment firm to manage the investments of the SOPS.

As of June 30, 2021, the ratings of the underlying investments of the Plan's debt securities were as follows:

	Rating				
	AAA	Aa1/Aa2/Aa3	A1/A2/A3	Baa1/Baa2/Baa3	Total
U.S. Treasury Obligations	\$ 5,077,210	\$ -	\$ -	\$ -	\$ 5,077,210
U.S. Governmental Agencies	3,797,392	-	-	-	3,797,392
Corporate & Foreign bonds	-	326,656	2,238,603	4,632,700	7,197,959
Total	<u>\$ 8,874,602</u>	<u>\$ 326,656</u>	<u>\$ 2,238,603</u>	<u>\$ 4,632,700</u>	<u>\$ 16,072,561</u>

Custodial Credit Risk: The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Plan's investment policy does not contain

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 5 – OTHER INFORMATION – CONTINUED

legal or policy requirements that would limit the exposure to custodial credit risk for investments. As of June 30, 2021, the Plan's investments were exposed to custodial credit risk, as they were uninsured, unregistered and held by the Plan's custodian.

Rate of Return: For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 29.04%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

4. Net Pension Liability of the County

The components of the net pension liability of the County at June 30, 2021, were as follows:

Total pension liability	\$ 82,769,390
Plan fiduciary net position	(84,863,575)
County's net pension liability	<u>\$ (2,094,185)</u>
Plan fiduciary net position as a percentage of the total pension liability	102.53%

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Inflation	3%
Salary Increases	Rates Vary by Participant Service
Investment Rate of Return	7%, Net of Pension Plan Investment Expense, Including Inflation
Mortality	Healthy: Pub-2010 Safety (headcount-weighted) for Employees and for Healthy Retirees mortality tables with generational projection by Scale MP2019 Disabled: Pub-2010 Safety (headcount-weighted) for Disabled Retirees mortality tables with generational projection by Scale MP2019

The actuarial assumptions used were based on the results of an actuarial valuation as of July 1, 2020.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation (3.0%). The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 5 – OTHER INFORMATION – CONTINUED

Asset Class	Target Allocation	Long-Term Expected
		Real Rate of Return
Domestic Equity	42%	8.8%
International Equity	18%	7.8%
Fixed Income	20%	3.5%
Hedged Strategies	20%	4.8%
Total	100%	

Discount rate: The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Increases (Decreases)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	(Asset) Liability
	(a)	(b)	(a)-(b)
Balances at 6/30/2020	\$ 79,946,249	\$ 65,993,076	\$ 13,953,173
Changes for the Year:			
Service Cost	1,934,762	-	1,934,762
Interest	5,469,042	-	5,469,042
Differences Between Expected and Actual Experience	(155,899)	-	(155,899)
Changes of assumptions	(790,619)	-	(790,619)
Contributions - Employer	-	2,710,626	(2,710,626)
Contributions - Employee	-	624,192	(624,192)
Net Investment Income	-	19,221,674	(19,221,674)
Benefit Payments, Including Refunds of Employee Contributions	(3,634,145)	(3,634,145)	-
Administrative Expense	-	(51,848)	51,848
Net Changes	<u>2,823,141</u>	<u>18,870,499</u>	<u>(16,047,358)</u>
Balances at 6/30/2021	<u>\$ 82,769,390</u>	<u>\$ 84,863,575</u>	<u>\$ (2,094,185)</u>

5. Changes in the Net Pension Liability

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County, calculated using the discount rate of 7.0%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 5 – OTHER INFORMATION – CONTINUED

	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County's Net Pension Liability	\$ 8,983,943	\$ (2,094,185)	\$ (11,182,090)

**6. Pension Expense and Deferred Outflows of Resources and Deferred
Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the County recognized a decrease in pension expense of (\$1,262,999). As of June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 229,780	\$ 632,495
Difference Between Expected and Actual Experience	417,170	892,504
Net Difference between Projected and Actual Investments Earnings	-	10,562,955
Total	\$ <u>646,950</u>	\$ <u>12,087,954</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2022	\$ (2,771,817)
2023	(2,651,434)
2024	(2,905,561)
2025	(3,112,192)
Total	\$ <u>(11,441,004)</u>

d. LENGTH OF SERVICE AWARD PROGRAM – VOLUNTEER FIREMEN

PRIMARY GOVERNMENT

1. Summary of Significant Accounting Policies

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Length of Service Award Program for Volunteer Firemen (LOSAP) and additions to/deductions from LOSAP's fiduciary net position have been determined on the same basis as they are reported by LOSAP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 5 – OTHER INFORMATION – CONTINUED

2. General Pension Plan Information

Harford County (the County) instituted and began administering a single employer defined benefit Length of Service Award Program (LOSAP or the Plan), for volunteer firemen and ambulance personnel on January 31, 1975. Harford County Bill No 07-46 assigns the Director of Administration and Harford County Volunteer Fire and Emergency Services Association the authority to periodically review the Plan and modify benefit provision, any benefit provision are subject to the approval of the County Executive and the County Council. LOSAP is considered part of the County's financial reporting entity and is included in the County's financial statements as a pension trust fund. Harford County Government does not issue a separate financial statement for LOSAP.

Plan Description: This LOSAP is different from traditional qualified retirement plans. There is a special section in the Internal Revenue Code covering this plan, 457(e)(11). The County's plan meets the requirements of this section, which means the payments to the fire fighters are not treated as "wages"; and, because the County is an "eligible employer", as defined by IRS, the plan is tax exempt.

The County Fire Chiefs Association shall be responsible for administering LOSAP. The voting membership of the Fire Chiefs Association is composed of the Volunteer Fire and Emergency Medical Services companies having first responder responsibilities in Harford County, Maryland.

The membership data related to the plan at September 30, 2020 was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	508
Terminated Plan Members Entitled to, but not yet Receiving Benefits	327
Active Plan Members	<u>1,256</u>
Total	<u><u>2,091</u></u>

Benefits Provided: Based on County statutes, firemen and ambulance personnel are eligible to participate upon reaching the age of 55 and accumulating "50 (fifty) points", which are determined in accordance with a specific point system. Benefits vest upon 25 years of service credit. The plan generally provides \$5,000 burial benefits and certain benefits for disability. Regular benefits are calculated at \$13 per month for each of the first 25 years of service plus \$6 per month for each year in excess of 25 years. The maximum benefit is \$475 per month. Normal form of benefit is a life annuity for the volunteer with a 75% survivor benefit for the spouse of the volunteer.

Contributions: Under provisions of County statutes, the County must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements. Periodic County contributions to the pension plan are determined by an actuarially determined rate. Since there are no "salaries", the rate cannot be expressed as a percentage of covered payroll. There are no participant-financed benefits in this plan.

The annual required contribution for the year ended June 30, 2021, was determined as part of the September 30, 2020, actuarial valuation using the entry age normal funding method, with a 15-year amortization of the unfunded liability. Under this method, a normal cost is calculated which would, if contributed annually, fund each volunteer's benefits during his or her career at a level dollar amount. The unfunded actuarial liability is calculated at each valuation date as the present value of all plan benefits, less current assets. The actuarial assumptions included a 6% investment rate of return compounded annually. The firemen are voluntary and, therefore, would not have a projected salary increase.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 5 – OTHER INFORMATION – CONTINUED

3. Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The County has hired an investment firm to manage the investments.

As of June 30, 2021, the ratings of the underlying investments of the Plan's debt securities were as follows:

	Rating				Total
	AAA	Aa1/Aa2/Aa3	A1/A2/A3	Baa1/Baa2/Baa3	
U.S. Treasury Obligations	\$ 1,997,287	\$ -	\$ -	\$ -	\$ 1,997,287
U.S. Governmental Agencies	1,913,761	-	-	-	1,913,761
Corporate & Foreign bonds	-	-	1,137,131	2,597,025	3,734,156
Total	<u>\$ 3,911,048</u>	<u>\$ -</u>	<u>\$ 1,137,131</u>	<u>\$ 2,597,025</u>	<u>\$ 7,645,204</u>

Custodial Credit Risk: The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Plan's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. As of June 30, 2021 the Plan's investments were exposed to custodial credit risk as they were uninsured, unregistered and held by the Plan's custodian.

Rate of Return: For the year ended June 30, 2021, the annual money-weighted rate of return pension plan investments, net of pension plan investment expense, was 23.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

4. Net Pension Liability of the County

The components of the net pension liability of the County at June 30, 2021 were as follows:

Total pension liability	\$ 43,212,386
Plan fiduciary net position	<u>(40,074,837)</u>
County's net pension liability	<u>\$ 3,137,549</u>
Plan fiduciary net position as a percentage of the total pension liability	92.74%

Actuarial Assumptions: The total pension liability in the September 30, 2020 actuarial valuation rolled forward to June 30, 2021 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 5 – OTHER INFORMATION – CONTINUED

Actuarial Cost Method	Entry Age Normal
Inflation	3%
Salary Increases	Not Applicable
Investment Rate of Return	6%, Net of Pension Plan Investment Expense, Including Inflation
Mortality	RP-2014 adjusted to 2006 Mortality Table with Blue Collar adjustment set forward one year with generational projection by scale MP-2015

The actuarial assumptions used were based on the results of an actuarial valuation as of September 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation (3.0%). The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	8.8%
International Equity	18%	7.8%
Fixed Income	20%	3.5%
Hedged Strategies	20%	4.8%
Total	100%	

The LOSAP portfolio is expected to achieve a total return that exceeds the actuarial interest rate assumption over a five year moving time period. Previously the investment policy expected a total return that should exceed CPI by a minimum of 3.0% annually.

Discount rate: The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

5. Changes in the Net Pension Liability

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 6/30/2020	\$ 36,500,183	\$ 32,529,348	\$ 3,970,835
Changes for the Year:			
Service Cost	875,915	-	875,915
Interest	2,125,666	-	2,125,666
Changes of Benefit Terms	5,211,638	-	5,211,638
Differences Between Expected and Actual Experience	643,801	-	643,801
Contributions - Plan Sponsor	-	1,883,255	(1,883,255)
Net Investment Income	-	7,824,892	(7,824,892)
Benefit Payments, Including Refunds of Member Contributions	(2,144,817)	(2,144,817)	-
Administrative Expense	-	(17,841)	17,841
Net Changes	<u>6,712,203</u>	<u>7,545,489</u>	<u>(833,286)</u>
Balances at 6/30/2021	<u>\$ 43,212,386</u>	<u>\$ 40,074,837</u>	<u>\$ 3,137,549</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County, calculated using the discount rate of 6.0%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.0%) or 1 percentage point higher (7.0%) than the current rate:

	1% Decrease 5.0%	Discount Rate 6.0%	1% Increase 7.0%
County's Net Pension Liability	\$ 9,188,767	\$ 3,137,549	\$ (1,762,093)

6. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the County recognized pension expense of \$5,040,482. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 597,650	\$ 586,690
Net Difference between Projected and Actual Investments Earnings	-	4,548,565
Total	<u>\$ 597,650</u>	<u>\$ 5,135,255</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2022	\$ (1,195,067)
2023	(1,128,040)
2024	(1,143,897)
2025	(1,177,902)
2026	<u>107,301</u>
Total	<u>\$ (4,537,605)</u>

e. PENSION PLAN – HARFORD CENTER, INC.

COMPONENT UNITS

The Center participates in a retirement plan qualified under Section 401(k) of the Internal Revenue Code. All employees may participate after the first of the month following 60 days of employment. Employees may make contributions to the Plan up to a maximum amount allowed by the Internal Revenue Code. The Center did not make contributions to the Plan for the current fiscal year.

f. RETIREMENT PLAN – HARFORD COUNTY GOVERNMENT MATCHING CONTRIBUTION PLAN

PRIMARY GOVERNMENT

Effective January 1, 2015 Harford County Government established a plan to help its employees save for retirement. The Plan is a defined contribution plan, which qualifies under Section 401(a) of the Internal Revenue Code. Qualifying employees must work over 500 hours of service in a plan year, must be ineligible for the Maryland State Retirement System and must defer a minimum of 7.0% of compensation into the Harford County 457(b) Plan to receive a matching contribution under this Plan. The Plan Administrator, Harford County, Maryland, is responsible for the day to day administration and operation of the Plan and has full discretion to interpret the Plan.

F. OTHER POST EMPLOYMENT BENEFIT PLANS

PRIMARY GOVERNMENT

Summary of Significant Accounting Policies

For purposes of measuring the net Other Post Employment Benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Harford County OPEB Plan and additions to/deductions from OPEB fiduciary net position have been determined on the same basis as they are reported by OPEB. For this purpose, OPEB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments that have a maturity at the time of purchase of one year or less, which are reported at cost.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

General OPEB Plan Information

Plan Description: Beginning in fiscal year 2008, the County administers a single employer defined benefit post-employment health care plan, titled Other Post Employment Benefit (OPEB) Plan. The County established a trust to act solely as a funding mechanism for the employer's cost of benefits provided by the OPEB Plan. This trust fund is included solely in these financial statements and does not issue a publicly available financial report, as an Other Post Employment Benefit Trust Fund. Management of the OPEB Trust is vested in the Board of Trustees, which consists of three ex officio members appointed by the County Executive. Those members are the County Treasurer or Acting County Treasurer, the Director of Human Resources or Acting Director of Human Resources and the Director of Administration or Acting Director of Administration.

The County's OPEB Plan is established by the Administrative Policy on Retiree Medical Benefits (APRMB) of Harford County, Maryland, effective July 1, 1994, as amended. The APRMB defines the terms, including eligibility and benefits, of the retiree health and welfare benefits provided by the County. Employees of the County who retire from active County service with a pension benefit under the Maryland State Retirement System or the Sheriff's Office Pension System may receive a subsidy toward the purchase of group health insurance. Any employee (except Sheriff uniformed personnel) hired after July 1, 2010 automatically go into the new Post Employment Health Plan (PEHP) as described below. The plan remains unchanged from fiscal year 2011 to the current fiscal year 2021.

Benefits Provided: Under the current APRMB, retirees may continue the same medical, dental, vision and life insurance coverage they are entitled to receive (including family coverage) as active employees. Employees with deferred retirements are not eligible for a subsidy. Effective July 1, 1998, the spouses of employees also receive a subsidy toward the purchase of group health benefits. Spouses receive the same subsidy as the retiree. The subsidy for retirees and their spouses for post-employment medical insurance is based on the employee's years of service with the County. From July 1, 2008 to February 28, 2009, 10 years was required to receive a subsidy. Effective March 1, 2009, the APRMB was changed to require a minimum of 20 years to receive a subsidy. This change does not apply to any Sheriff's Office personnel; and is not retroactive for any employees who retired before March 1, 2009. Any employee that does not elect to enroll in benefits at the time of the employee's retirement has forfeited the right to any future retiree medical benefits. The subsidy related to years of service for all County employees effective March 1, 2009 is shown below and has remained unchanged through the current fiscal year 2021.

Employer Subsidy Percentage (Excluding Sheriff's Office)		
Years of Credit Service	Employees Retiring Prior to March 1, 2009	Employees Retiring On or After March 1, 2009
0 - 9 Years	0%	0%
10-14 Years	75%	0%
15-19 Years	80%	0%
20-24 Years	85%	85%
25 Years or more	90%	90%

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

Sheriff's Office Subsidy Percentage	
Years of Credit	
Service	Percentage
0 - 11 Years	0%
12-14 Years	75%
15-19 Years	80%
20-24 Years	85%
25 Years or more	90%

GASB 74 - Financial Reporting for Post-employment Benefits Other Than Pensions

The Sheriff's Office employees are also eligible for 90% subsidy for in-line-of-duty retirements with a minimum of 5 years of service. Membership in the plan consisted of the following based on the July 1, 2020 valuation data that was used to calculate the ADC for fiscal year 2022:

Plan Participants	
Retirees (Pre-Medicare)	296 *
Retirees (Medicare Age)	599 *
Active Employees	888
Total	<u>1,783</u>

*includes spouses

On July 27, 2010, Harford County, Maryland signed a Retiree Healthcare Side Agreement with the AFSCME Local 1802, Council 67 and MCEA Chapter 610. This agreement states that any employee hired after July 1, 2010, will be placed in a Post Employment Health Plan (PEHP) in lieu of the retiree health care subsidy offered by the County. Employees hired prior to July 1, 2010, were offered a one-time election from the current retiree health care subsidy to the PEHP, to the extent permitted under the Internal Revenue Code and Regulations. These changes do not apply to any Sheriff's Office personnel. The retirees under this plan may also continue the same medical, dental, vision and life insurance coverage they are entitled to receive (including family coverage) as active employees. The difference will be that the retiree will pay the entire group rate price per insurance plan out of the funds received through the PEHP. The County negotiated with the Union representatives agreeing that 8.0% of eligible employees' average salaries will be placed in the PEHP until otherwise specified.

Contributions: The County is not required by law or contractual agreement to provide funding for retiree benefits other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. The County may contribute to the Trust Fund those amounts that the County Council appropriates. Plan members are not required to contribute to the plan. The County contributed \$11,893,000 annual required contribution (ARC), now known as the actuarially determined contribution (ADC) during fiscal year 2021.

The funding for the PEHP will be negotiated by the County and both Unions each year. The County may contribute to the employee's accounts those amounts that the County Council appropriates based on the formula designated in the agreement. The formula to be utilized will be the annual salaries of the employees enrolled in the PEHP calculated by a percentage of those aggregate salaries that is determined by the County, AFSCME, and MCEA, which will constitute the funds to be contributed to the PEHP by the County. The funds will be

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

equally distributed between the participants in the PEHP. There was a total of \$3,075,180 contributed to this plan and a total of 479 employees are currently enrolled as of June 30, 2021.

Employees have the dollar value of their use or lose annual leave placed into a PEHP account. The total funds contributed under this method were \$515,914 for 189 employees. The PEHP will be administered by a third party who will maintain individual accounts, which will grow tax-free for health care expenses after an employee leaves the County.

Investments

Investment Policy: It is the policy of the Trustees for the OPEB Trust Fund to invest the Fund in a manner which will conform to all applicable statutes governing the investment of post-employment funds while meeting the Fund's cash flow requirements. It is the policy of the Fund not to invest in any financial instrument that derives its cash flows, and therefore value, by reference to an underlying instrument, index, or reference rate (derivatives). The Fund may not borrow funds for the express purpose of reinvesting those funds (leveraging).

The primary objectives, in priority order, of the OPEB Trust Fund investment activities shall be prudence, liquidity and return on investment. The specific responsibilities of the Board of Trustees relating to the investment management of assets include:

- conveying material events to the investment consultant;
- determining the risk tolerance and investment time horizon;
- communicating these to the appropriate parties;
- establishing reasonable and consistent investment objectives, policies and guidelines that will direct the investment of the assets;
- prudently and diligently selecting qualified investment professionals, including Investment Manager(s), Investment Consultant(s), and Custodian(s);
- quarterly evaluation of the performance of all investments;
- developing and enacting proper controls and procedures.

As of June 30, 2021, the ratings of the underlying investments of the Plan's debt securities were as follows:

	Rating				
	AAA	Aa1/Aa2/Aa3	A1/A2/A3	Baa1/Baa2/Baa3	Total
U.S. Treasury Obligations	\$ 10,396,745	\$ -	\$ -	\$ -	\$ 10,396,745
U.S. Government Agencies	8,150,224	-	-	-	8,150,224
Corporate & Foreign bonds	-	656,345	4,895,130	9,411,225	14,962,700
Total	<u>\$ 18,546,969</u>	<u>\$ 656,345</u>	<u>\$ 4,895,130</u>	<u>\$ 9,411,225</u>	<u>\$ 33,509,669</u>

Rate of Return: For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 27.01%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

Net OPEB Liability of the County

The components of the net OPEB liability of the County at June 30, 2021, were as follows:

Total OPEB liability	\$ 251,979,234
Plan fiduciary net position	(175,525,450)
County's net OPEB liability	<u>\$ 76,453,784</u>

Plan fiduciary net position as a percentage of the total OPEB liability	69.66%
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Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.5%, average, including inflation
Investment rate of return	7.0%, net of OPEB plan investment expense
Ultimate Healthcare cost trend rate	4.0%
Mortality	MP-2019 Mortality Improvement Scale

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2020, through June 30, 2021.

The long-term expected rate of return of OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target allocation as of June 30, 2021 (see the discussion of investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	8.8%
International Equity	18%	7.8%
Fixed Income	20%	3.5%
Hedged Strategies	20%	4.8%
Total	<u>100%</u>	

Discount Rate: The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that Harford County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

	Increases (Decreases)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances at 6/30/2020	\$ 245,872,365	\$ 134,151,377	\$ 111,720,988
Changes for the Year:			
Service Cost	3,883,889	-	3,883,889
Interest	16,888,951	-	16,888,951
Experience Losses/(Gains)	(5,305,240)	-	(5,305,240)
ER Trust Contribution	-	11,893,000	(11,893,000)
Net Investment Income	-	38,855,304	(38,855,304)
Benefit Payments	(9,360,731)	(9,360,731)	-
Administrative Expense	-	(13,500)	13,500
Net Changes	<u>6,106,869</u>	<u>41,374,073</u>	<u>(35,267,204)</u>
Balances at 6/30/2021	<u>\$ 251,979,234</u>	<u>\$ 175,525,450</u>	<u>\$ 76,453,784</u>

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the County, calculated using the discount rate of 7.0%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current discount rate:

	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County's Net OPEB Liability	\$ 114,981,951	\$ 76,453,784	\$ 45,300,355

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the County, calculated using the healthcare cost trend rate of 4.0%, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.0%) or 1 percentage point higher (5.0%) than the current healthcare cost trend rates:

	1% Decrease 3.0%	Healthcare Cost Trend Rates 4.0%	1% Increase 5.0%
County's Net OPEB Liability	\$ 41,811,763	\$ 76,453,784	\$ 119,948,173

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

Membership in the OPEB plan consisted of the following based on the July 1, 2019 valuation data that was used to calculate the ADC for fiscal year 2021:

Plan Participants	
Retirees (Pre-Medicare)	312 *
Retirees (Medicare Age)	554 *
Active Employees	906
Total	<u>1,772</u>

*includes spouses

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

Contributions: The County contributed \$11,752,000 actuarially determined contribution (ADC) during fiscal year 2020 and the retirees paid \$1,640,691 toward the cost of their benefits. The Trust reimbursed the County for the County's share of retirees' premiums of \$10,706,482, leaving the Trust Net Position of \$134,151,377.

Trust Net Position as of June 30 was derived as follows:

Trust Net Position as of July 1, 2019	\$	127,326,953
County Contribution		11,752,000
Net Appreciation in Fair Value of Investments		6,075,640
Interest and Dividends		141,344
Retirees Contributions		1,640,691
Payment for County's Share of Premiums		(10,706,482)
Payment for Retiree's Share of Premiums		(1,640,691)
Payment for Administrative and Investment Expenses		(438,078)
Trust Net Position as of June 30, 2020	\$	<u><u>134,151,377</u></u>

Net OPEB Liability of the County

The components of the net OPEB liability of the County at June 30, 2020, were as follows:

Total OPEB liability	\$	245,872,365
Plan fiduciary net position		<u>(134,151,377)</u>
County's net OPEB liability	\$	<u><u>111,720,988</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	54.56%
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Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.2%
Salary increases	3.5%, average, including inflation
Investment rate of return	7.0%, net of OPEB plan investment expense
Ultimate Healthcare cost trend rate	4.0%
Mortality	MP-2019 Mortality Improvement Scale

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2019, through June 30, 2020.

The long-term expected rate of return of OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

included in the target asset allocation as of June 30, 2020 (see the discussion of investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	8.8%
International Equity	18%	7.8%
Fixed Income	20%	3.5%
Hedged Strategies	20%	4.8%
Total	100%	

Rate of Return: For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 4.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate: The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that the County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 6/30/2019	\$ 238,134,092	\$ 127,326,953	\$ 110,807,139
Changes for the Year:			
Service Cost	3,919,887	-	3,919,887
Interest	16,357,466	-	16,357,466
Experience Losses/(Gains)	(2,844,948)	-	(2,844,948)
ER Trust Contribution	-	11,752,000	(11,752,000)
Net Investment Income	-	5,920,806	(5,920,806)
Changes in Assumption	1,012,350	-	1,012,350
Benefit Payments	(10,706,482)	(10,706,482)	-
Administrative Expense	-	(141,900)	141,900
Net Changes	7,738,273	6,824,424	913,849
Balances at 6/30/2020	\$ 245,872,365	\$ 134,151,377	\$ 111,720,988

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the County, calculated using the discount rate of 7.0%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current discount rate:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County's Net OPEB Liability	\$ 150,268,663	\$ 111,720,988	\$ 80,607,798

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the County, calculated using the healthcare cost trend rate of 4.0%, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.0%) or 1 percentage point higher (5.0%) than the current healthcare cost trend rates:

	1% Decrease 3.0%	Healthcare Cost Trend Rates 4.0%	1% Increase 5.0%
County's Net OPEB Liability	\$ 76,986,569	\$ 111,720,988	\$ 155,516,862

For the year ended June 30, 2020, the County recognized OPEB expenses of \$11,189,330. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 11,893,000	\$ -
Changes in Assumptions	2,851,954	-
Difference Between Expected and Actual Experience	14,656,262	17,011,555
Net Difference between Projected and Actual Investments Earnings	1,395,166	-
Total	\$ <u>30,796,382</u>	\$ <u>17,011,555</u>

Contributions subsequent to the measurement date in the amount of \$11,893,000, reported as deferred outflows of resources related to OPEB, will be recognized as a reduction in net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2022	\$ (284,899)
2023	710,057
2024	1,228,444
2025	238,225
Total	\$ <u>1,891,827</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

COMPONENT UNITS

The Harford County Public Schools: The Public Schools administers a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for retirees of the Public Schools and their dependents.

In December 2007, the Public Schools created the Retiree Benefit Trust of the Board of Education of Harford County (Benefit Trust) in order to facilitate the funding or partial funding of the actuarially calculated OPEB liability. The Benefit Trust established a trust account with, and became a member of, the Maryland Association of Boards of Education Pooled OPEB Investment Trust (MABE Trust). It is a member owned trust that provides the Public Schools and the other nine-member boards a structure to pool assets to reduce investment costs and share administrative expenses. The Public Schools reserves the right to establish and amend the provisions of its relationship with the MABE Trust with respect to participants, any benefit provided thereunder, or its participation therein, in whole or in part at any time, by resolution of its governing body and upon advance notice to the Trustees of the MABE Trust.

The MABE Trust was established to pool assets of its member Boards of Education for investment purposes only. Each member of the MABE Trust is required to designate a member trustee. The member trustees of the MABE Trust shall ensure that the MABE Trust keep such records as are necessary in order to maintain a separation of the assets of the MABE Trust from the assets of trusts maintained by other governmental employers. Assets of the member trusts are reported in their respective financial statements using the economic resources measurement focus and the accrual basis of accounting, under which expenses are recorded when the liability is incurred. Employer contributions are recorded in the accounting period in which they are earned and become measurable. Investments are reported at fair value and are based on published prices and quotations from major investment brokers at current exchange rates, if available.

The MABE Trust issues a publicly available audited GAAP-basis report that includes financial statements and required supplementary information for the MABE Trust. This report may be obtained by writing to the Trust Administrator, Maryland Association of Boards of Education, 621 Ridgely Avenue, Suite 300, Annapolis, Maryland 21401-1112 or calling 410-841-5414.

Plan Membersip. As of June 30, 2021, membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	3,001
Inactive Plan Members Entitled to, but not yet Receiving Benefit Payments	119
Active Plan Members	4,836
Total Participants	<u><u>7,956</u></u>

Benefits provided and contributions. The Public Schools provides medical, dental and life insurance benefits to eligible employees upon retirement. The employer's contributions are financed on a pay-as-you-go basis, and the future payment of these benefits is contingent upon the annual approval of the operating budget. Details of the postemployment benefits provided are as follows:

Medical Benefits: Retirees are eligible for continued membership in one of the school system's group medical plans. Dependent children can be covered until the child reaches age 26. Spouses are also covered. Surviving spouses can stay in the plan, but must pay the full cost to participate. All plans include prescription drug coverage. The full Public Schools contribution is either 85%, 90% or 95% of medical insurance premiums,

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

based on the plan chosen by the retiree. The medical benefits paid by the Public Schools for the year ended June 30, 2021 was \$25,541,597.

Dental Benefits: Retirees are eligible for continued membership in one of the school system's dental plans. Coverage is the same as described above for medical benefits. The full Public Schools contribution is 90% of dental insurance premiums, based on the plan chosen by the retiree. The dental benefits paid by the Public Schools for the year ended June 30, 2021, was \$1,360,444.

Life Insurance Benefits: The full Public Schools contribution is 90% of the life insurance premiums. The amount of insurance coverage is reduced to \$20,000 upon retirement and to \$10,000 five years after retirement. The life insurance benefits paid by the Public Schools for the year ended June 30, 2021, was \$51,959.

Whether the Public Schools pays the full contribution rate for medical, dental and life insurance benefits depends upon the retiree's hire date and their number of years of service as follows:

Years of Service	Participants Hired Prior to 7/1/2006	Participants Hired After 7/1/2006
0 - 9	None	None
10 - 19	Full Public Schools Contribution*	1/3 of Full Public Schools Contribution*
20 - 29	Full Public Schools Contribution*	2/3 of Full Public Schools Contribution*
30 or more	Full Public Schools Contribution*	Full Public Schools Contribution*

*Upon eligibility for Medicare (usually at age 65 or if eligible due to disability) retiree's and/or their Medicare-eligible dependents are required to convert to coverage which supplements Medicare.

The components of the net OPEB liability of the Public Schools as of June 30, 2021, were as follows:

Total OPEB liability	\$ 1,052,377,000
Plan fiduciary net position	(74,728,000)
Public Schools net OPEB liability	<u>\$ 977,649,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	7.10%

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

The Net OPEB Plan's Fiduciary Net Position is as follows:

		<u>Increase (Decrease)</u> (\$'000s omitted)	
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance - June 30, 2020	\$ 1,317,015	\$ 58,979	\$ 1,258,036
Changes for the Year:			
Service Cost	40,146	-	40,146
Interest	56,875	-	56,875
Differences Between Expected and Actual Experience	(650,070)	-	(650,070)
Changes of Assumptions	313,865	-	313,865
Contributions - Employer	-	26,954	(26,954)
Net Investment Income	-	14,262	(14,262)
Benefit Payments	(25,454)	(25,454)	-
Administrative Expense	-	(13)	13
Net Changes	(264,638)	15,749	(280,387)
Balance - June 30, 2021	\$ 1,052,377	\$ 74,728	\$ 977,649

Detailed OPEB plan information for the Public Schools is available in their current year audited financial statements.

The Harford Community College: The College sponsors postemployment medical benefits under a single employer defined benefit plan. Any full-time employee of the College is eligible to participate in the plan. The College allows access to the plan if the retiree: (a) retires or becomes disabled with an immediate benefit from the State Retirement and Pension System of Maryland or (b) meets the minimum age eligibility requirement to begin distribution from the Maryland Optional Retirement Plan (ORP) and (c) has been actively participating within the College sponsored health plan for at least the most recent 10 full consecutive years and (d) has at least 10 years of employment service. Disabled participants must reach retirement eligibility. Dependents and surviving spouses of participants are allowed access to the plan but must also pay the full premium. The plan does not issue a stand-alone financial report.

A closed group of retirees receives an annual subsidy of \$4,800 or less as part of a retirement window benefit program. The window benefit ceases at 65 for some participants and continues for life for other participants. As of June 30, 2021, there were five eligible and participating retirees receiving an annual subsidy.

Except for the closed group mentioned above, continuation in the College's group program following retirement is at the retiree's own expense. There is no explicit subsidy. This is an implicit subsidy plan only.

Retirement Eligibility: Under the State of Maryland Employees' Pension System (EPS), members hired on or after July 1, 2011 are in the Reformed Contributory Pension System. The earliest retirement eligibility under the Reformed Contributory Pension System is the earliest of

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

- Rule of 90 (age plus service is at least 90),
- Age 65 with 10 years of service, or
- Age 60 with 15 years of service.

For members of EPS hired before July 1, 2011, the earliest retirement eligibility is the earliest of:

- Age 55 with 15 years of service,
- Age 62 with 5 years of service,
- Age 63 with 4 years of service,
- Age 64 with 3 years of service,
- Age 65 with 2 years of service, or
- 30 years of service (regardless of age).

There have been no changes in plan provisions (eligibility or cost-sharing) since the prior valuation.

Employees Covered by Benefit Terms: At June 30, 2021, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	6
Inactive Plan Members Entitled to, but not yet Receiving Benefit Payments	26
Active Plan Members	290
Total Participants	<u>322</u>

Since the prior valuation, a Trust Fund was established to prefund the actuarial accrued liability. The College has not adopted a funding policy for this Plan and will make future contributions if sufficient excess resources are available.

As of June 30, 2021, the College's annual required contribution; contributions made and net OPEB obligation were:

	Total OPEB Liability (a)	<u>Increase (Decrease)</u> Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a)-(b)
Balance - June 30, 2020	\$ 744,997	\$ 695,868	\$ 49,129
Changes for the Year:			
Service Cost	18,554	-	18,554
Interest	48,530	-	48,530
Contributions - Employer	-	34,386	(34,386)
Net Investment Income	-	187,353	(187,353)
Benefit Payments	(34,386)	(34,386)	-
Administrative Expense	-	(1,812)	1,812
Net Changes	<u>32,698</u>	<u>185,541</u>	<u>(152,843)</u>
Balance - June 30, 2021	\$ <u>777,695</u>	\$ <u>881,409</u>	\$ <u>(103,714)</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

For the year ended June 30, 2021, the College recognized OPEB expense of \$12,768. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 19,163	\$ -
Change in Actuarial Assumptions	18,909	-
Net Difference Between Projected and Actual Investment Earnings	-	91,385
Total	<u>\$ 38,072</u>	<u>\$ 91,385</u>

Detailed OPEB information for the College is available in their current year audited financial statements.

The Harford County Public Library: The Library provides a portion of medical insurance benefits to eligible employees who retire from employment with the Library.

The Library established the OPEB Trust Fund to act solely as a funding mechanism for the benefits provided by this OPEB plan. The OPEB Trust Fund is used to pay medical premiums and the hidden subsidy. Eligible participants are employees, former employees, or beneficiaries of the Library who had health coverage as an active employee. Eligible employees must retire from employment with the Library to receive OPEB benefits. The eligibility requirements for service retirement under the State Retirement and Pension System of Maryland for general employees are described below.

Under the State of Maryland Employees' Pension System, members hired on or after July 1, 2011, are in the Reformed Contributory Pension System. The earliest retirement eligibility under the Reformed Contributory Pension System is the earlier of age plus service of at least 90, age 65 with 10 years of service, or age 60 with 15 years of service. For other members of the State of Maryland Employees' Pension System, the earliest retirement eligibility is the earlier of age 55 with 15 years of service, age 62 with 5 years of service, age 63 with 4 years of service, age 64 with 3 years of service, age 65 with 2 years of service, or 30 years of service (regardless of age). Retirees must elect coverage at time of retirement. Retirees may not elect to discontinue and re-enroll at a later date.

At July 1, 2021, the following employees were covered by the benefit terms:

Retirees Currently Receiving Benefits	76
Active Employees	140
Total Plan Members	<u>216</u>

Benefits Provided: Pre-Medicare retirees may choose between two medical plans, both of which include prescription coverage. Once a retiree is Medicare-eligible, the retiree does not get to choose. Medicare eligible retirees must also be enrolled in both Part A and Part B of Medicare in order to enroll in this plan. Retirees only have one dental plan.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

Retirees and their families pay 50% of the published rates. Surviving spouses receive the same subsidy percent as the participant. There is one retiree who is grandfathered at a subsidy rate of 80%. The Library offers the same subsidy schedule for dental as they do for healthcare.

Annual OPEB Cost and net OPEB Liability: The contribution requirements of plan members and the Library are established by the Board of Trustees and may be periodically amended. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually during the budget process. Additional contributions may be identified during the year by the Board of Trustees. There are no contractual terms requiring a specific funding level.

For fiscal year 2021, the Library contributed \$280,334 to the OPEB plan. Active employees are not required to contribute to the OPEB plan. There are no statutory or other legally required contribution levels.

The Net OPEB Plan's Fiduciary Net Position is as follows:

	Increase (Decrease) (\$'000s omitted)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balance - June 30, 2020	\$ 28,194	\$ 3,819	\$ 24,375
Changes for the Year:			
Service Cost	865	-	865
Interest	1,275	-	1,275
Differences Between Expected and Actual Experience	(19,826)	-	(19,826)
Changes of Assumptions	(2,018)	-	(2,018)
Contributions - Employer	-	453	(453)
Net Investment Income	-	1,026	(1,026)
Benefit Payments	(173)	(173)	-
Administrative Expense	-	(16)	16
Net Changes	(19,877)	1,290	(21,167)
Balance - June 30, 2021	\$ 8,317	\$ 5,109	\$ 3,208

Detailed OPEB plan information for the Library is available in their current year audited financial statements.

G. COMBINED STATEMENT OF FIDUCIARY NET POSITION AND COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR PENSION AND OPEB TRUST FUND

PRIMARY GOVERNMENT

Harford County, Maryland has two pensions and one employee benefit, which are included in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position under the column, Pension and OPEB Trust Funds. These two pensions, Sheriff's Office Pension System and Firemen's LOSAP, and one employee benefit plan, OPEB Trust, do not issue separate GAAP financial reports thus below is the Combining Statement of Fiduciary Net Position and Combining Statement of Changes in Fiduciary Net Position.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

Combining Statement of Fiduciary Net Position

Pension and OPEB Trust Funds

June 30, 2021

	Sheriff's Office Pension System	Firemen's LOSAP	OPEB Trust	Total
ASSETS				
Equity in Pooled Cash and Investments	\$ 299,880	\$ 161,996	\$ 846,574	\$ 1,308,450
Cash Equivalents	175,683	78,010	1,150,603	1,404,296
Investments, at Fair Value				
Debt Securities	16,072,561	7,645,204	33,509,669	57,227,434
Fixed Income Funds	2,801,036	1,327,946	5,179,481	9,308,463
Equities and Equivalents	65,545,564	30,880,171	134,863,641	231,289,376
Total Investments	84,419,161	39,853,321	173,552,791	297,825,273
Total Assets	84,894,724	40,093,327	175,549,968	300,538,019
LIABILITIES				
Accounts Payable	31,149	18,490	24,518	74,157
Total Liabilities	31,149	18,490	24,518	74,157
NET POSITION				
Net Position Restricted for Pension and OPEB	\$ 84,863,575	\$ 40,074,837	\$ 175,525,450	\$ 300,463,862

Combining Statement of Changes in Fiduciary Net Position

Pension and OPEB Trust Funds

For the Year Ended June 30, 2021

	Sheriff's Office Pension System	Firemen's LOSAP	OPEB Trust	Total
ADDITIONS				
Contributions				
Employee Contributions	\$ 624,192	\$ -	\$ -	\$ 624,192
Employer Contributions	2,710,626	-	11,893,000	14,603,626
Plan Sponsor Contributions	-	1,883,255	-	1,883,255
Total Contributions	3,334,818	1,883,255	11,893,000	17,111,073
Investment Earnings				
Net Gain in Fair Value of Investments	18,423,067	7,351,520	37,058,463	62,833,050
Interest and Dividends	1,008,708	583,728	2,131,516	3,723,952
Total Investment Earnings	19,431,775	7,935,248	39,189,979	66,557,002
Less Investment Expense	(210,101)	(110,356)	(334,675)	(655,132)
Net Investment Income	19,221,674	7,824,892	38,855,304	65,901,870
Total Additions	22,556,492	9,708,147	50,748,304	83,012,943
DEDUCTIONS				
Administrative Expenses	51,848	17,841	13,500	83,189
Benefits	3,634,145	2,144,817	9,360,731	15,139,693
Total Deductions	3,685,993	2,162,658	9,374,231	15,222,882
Change in Net Position	18,870,499	7,545,489	41,374,073	67,790,061
NET POSITION				
Net Position Restricted for Pensions and OPEB- Beginning	65,993,076	32,529,348	134,151,377	232,673,801
Net Position Restricted for Pensions and OPEB- End	\$ 84,863,575	\$ 40,074,837	\$ 175,525,450	\$ 300,463,862

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 – OTHER INFORMATION – CONTINUED

H. RESTATEMENTS

PRIMARY GOVERNMENT

Harford County implemented GASB issued Statement 84 entitled *Fiduciary Activities*. A change in accounting principle resulted in the County's sheriff seized cash from individual(s) suspected of committing a crime recording in a Fiduciary Fund called Seizure of Assets instead of being recorded as a liability in the General Fund. The total amount of seized cash transferred from the General Fund to the Seizure of Assets account was \$778,139. Also, with the implementation, the Healthcare Consortium, which was a pass-through grant for which the county serves only as a cash conduit was previously reported in the Agency Fund in prior years and is now reported separately in the custodial fund. The Healthcare Consortium had a due to beneficiaries amount of \$14,031,746, was restated to beginning net position. Prior year financial statements have not been restated because it is not practicable.

The effect of restatement as of June 30, 2020, are as follows:

	Seizure of Assets	Healthcare Consortium
Balance as Previously Stated as of June 30, 2020	\$ -	\$ -
Effect of Change in Accounting Principle	778,139	14,031,746
Balance as Restated as of June 30, 2020	\$ <u>778,139</u>	\$ <u>14,031,746</u>

COMPONENT UNITS

Harford County Public Schools: The Public Schools adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by eliminating fiduciary activities from presentation in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The fiduciary activities are instead reported in the governmental fund financial statements and as governmental activities in the government-wide financial statements. Below is the restatement to reflect this change:

	Governmental Activities
Net Position - beginning of year, as previously reported	\$ (556,064,512)
Effect of Change in Accounting Principle	2,521,454
Net Position - beginning of year, as restated	\$ <u>(553,543,058)</u>

Required Supplementary Information

The information provided in this section is required supplementary disclosures.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
Last 10 Fiscal Years
(Information for FY2013 and earlier is not available)

Schedule 1

	2021	2020	2019	2018	2017	2016	2015	2014
County's Portion of the Net Pension Liability	0.668%	0.641%	0.615%	0.554%	0.554%	0.555%	0.516%	0.490%
County's Proportionate Share of the Net Pension Liability	\$ 151,087,921	\$ 132,246,062	\$ 128,973,320	\$ 119,845,396	\$ 130,701,171	\$ 115,409,102	\$ 91,601,275	\$ 100,990,844
County's Covered Payroll	\$ 88,593,541	\$ 86,232,721	\$ 83,683,463	\$ 78,232,243	\$ 78,993,465	\$ 84,055,462	\$ 83,785,718	\$ N/A
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.54%	153.36%	154.12%	153.19%	165.46%	137.30%	109.33%	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.13%	67.79%	68.10%	66.50%	62.75%	66.00%	69.17%	64.58%

Notes to Schedule:

Benefit Changes: There were no benefit changes during the years 2014 through 2020

Changes in Assumptions:

Inflation assumption changed as follows:

6/30/2020	2.60%
6/30/2019	2.60%
6/30/2018	2.60%
6/30/2017	2.65%
6/30/2016	2.70%
6/30/2015	2.70%
6/30/2014	2.90%

Investment return assumptions changed as follows:

6/30/2020	7.40%
6/30/2019	7.40%
6/30/2018	7.45%
6/30/2017	7.50%
6/30/2016	7.55%
6/30/2015	7.55%
6/30/2014	7.65%

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
Last 10 Fiscal Years
(Information for FY2014 and earlier is not available)

Schedule 2

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	3.50%	6.44%	8.08%	10.02%	1.15%	2.68%	14.38%

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SHERIFF'S OFFICE PENSION SYSTEM
Last 10 Fiscal Years
(Information for FY2013 and earlier is not available)

Schedule 3

	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*
Total Pension Liability								
Service Cost	\$ 1,935,000	\$ 1,794,000	\$ 1,746,000	\$ 1,724,000	\$ 1,622,000	\$ 1,622,000	\$ 1,622,000	\$ 1,412,000
Interest	5,469,000	5,277,000	4,998,000	4,707,000	4,512,000	4,367,000	4,176,000	3,982,000
Changes of Benefit Terms	-	-	-	-	-	-	54,000	68,000
Differences Between Expected and Actual Experience	(156,000)	(834,000)	574,000	937,000	(1,605,000)	(886,000)	(1,025,000)	-
Changes of Assumptions	(791,000)	-	-	-	1,379,000	-	776,000	-
Benefit Payments, Including Refunds of Employee Contributions	(3,634,000)	(3,360,000)	(3,305,000)	(3,115,000)	(3,130,000)	(2,923,000)	(2,825,000)	(2,576,000)
Net Change in Total Pension Liability	2,823,000	2,877,000	4,013,000	4,253,000	2,778,000	2,180,000	2,778,000	2,886,000
Total Pension Liability - Beginning	79,946,000	77,069,000	73,056,000	68,803,000	66,025,000	63,845,000	61,067,000	58,181,000
Total Pension Liability - Ending (a)	<u>\$ 82,769,000</u>	<u>\$ 79,946,000</u>	<u>\$ 77,069,000</u>	<u>\$ 73,056,000</u>	<u>\$ 68,803,000</u>	<u>\$ 66,025,000</u>	<u>\$ 63,845,000</u>	<u>\$ 61,067,000</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 2,711,000	\$ 2,587,000	\$ 2,567,000	\$ 2,393,000	\$ 2,357,000	\$ 2,490,000	\$ 2,490,000	\$ 2,377,000
Contributions - Employee	624,000	608,000	572,000	543,000	504,000	499,000	485,000	452,000
Net Investment Income	19,222,000	2,579,000	3,510,000	5,217,000	6,284,000	(1,301,000)	1,995,000	7,089,000
Benefit Payments, Including Refunds of Employee Contributions	(3,634,000)	(3,360,000)	(3,305,000)	(3,115,000)	(3,130,000)	(2,923,000)	(2,825,000)	(2,576,000)
Administrative Expense	(52,000)	(47,000)	(55,000)	(47,000)	(49,000)	(48,000)	(49,000)	(54,000)
Net Change in Plan Fiduciary Net Position	18,871,000	2,367,000	3,289,000	4,991,000	5,966,000	(1,283,000)	2,096,000	7,288,000
Plan Fiduciary Net Position - Beginning	65,993,000	63,626,000	60,337,000	55,346,000	49,380,000	50,663,000	48,567,000	41,279,000
Plan Fiduciary Net Position - Ending (b)	<u>\$ 84,864,000</u>	<u>\$ 65,993,000</u>	<u>\$ 63,626,000</u>	<u>\$ 60,337,000</u>	<u>\$ 55,346,000</u>	<u>\$ 49,380,000</u>	<u>\$ 50,663,000</u>	<u>\$ 48,567,000</u>
County's Net Pension Liability - Ending (a) - (b)	<u>\$ (2,095,000)</u>	<u>\$ 13,953,000</u>	<u>\$ 13,443,000</u>	<u>\$ 12,719,000</u>	<u>\$ 13,457,000</u>	<u>\$ 16,645,000</u>	<u>\$ 13,182,000</u>	<u>\$ 12,500,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.53%	82.55%	82.56%	82.59%	80.44%	74.79%	79.35%	79.53%
Covered Payroll	\$ 9,075,000	\$ 8,507,000	\$ 8,191,000	\$ 7,851,000	\$ 7,115,000	\$ 7,110,000	\$ 7,185,000	\$ 6,813,000
County's Net Pension Liability as a Percentage of Covered Payroll	-23.08%	164.01%	163.99%	162.00%	189.14%	234.11%	183.47%	183.48%
Expected Average Remaining Service Years of All Participants	5	5	5	5	6	6	5	6

*Numbers are rounded to the nearest 1,000.

Notes to Schedule:

Benefit Changes:

FY 2015 reflects a change in the crediting of pre-employment military service.

FY 2014 reflects significant changes including: increased benefit accrual rates for future service, early retirement benefits, average compensation period, limitation to annual COLA for benefits based on service earned after June 30, 2013, and line of duty disability benefits.

Change of Assumptions:

FY2021 Mortality changed from RP-2014 to Pub-2010 Safety.

FY 2017 reflects a change in the mortality assumption from the RP-2000 tables with fully generational projection using Scale AA to the RP-2014 tables with generational projections using the Scale MP-2016.

FY 2015 reflects a change in the assumed rates of mortality for disabled members.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
SHERIFF'S OFFICE PENSION SYSTEM
Last 10 Fiscal Years
(Information for FY2013 and earlier is not available)

	Schedule 4							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 2,710,626	\$ 2,587,098	\$ 2,567,354	\$ 2,393,057	\$ 2,356,777	\$ 2,489,555	\$ 2,490,164	\$ 2,376,590
Contributions in Relation to the Actuarially Determined Contribution	<u>2,710,626</u>	<u>2,587,098</u>	<u>2,567,354</u>	<u>2,393,057</u>	<u>2,356,777</u>	<u>2,489,555</u>	<u>2,490,164</u>	<u>2,376,590</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered Payroll	\$ 9,075,000	\$ 8,507,000	\$ 8,191,000	\$ 7,851,000	\$ 7,115,000	\$ 7,110,000	\$ 7,185,000	\$ 6,813,000
Contributions as a Percentage of Covered Payroll	29.87%	30.41%	31.34%	30.48%	33.12%	35.02%	34.66%	34.88%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year. Actuarial valuations are performed every year.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Payroll
Remaining Amortization period	20 years for gains and losses (closed), 30 years for prior plan and assumptions changes, 15 years for July 1, 2013 plan changes (closed)
Asset Valuation Method	5-year Smoothed Market
Inflation	3.0 Percent
Salary Increases	Rates Vary by Participant Service
Investment Rate of Return	7.0 percent, Net of Pension Plan Investment Expense, Including Inflation
Retirement Age	Rates Vary by Participant Age and Service
Mortality	Pub-2010 Safety (headcount-weighted)

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS
SHERIFF'S OFFICE PENSION SYSTEM
Last 10 Fiscal Years
(Information for FY2012 is not available)

Schedule 5

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual money-weighted rate of return, net of investment expense	29.04%	4.24%	5.96%	9.19%	12.81%	-1.93%	4.64%	17.11%	12.34%

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN
Last 10 Fiscal Years
(Information for FY2013 and earlier is not available)

	Schedule 6							
	2021*	2020*	2019*	2018*	2017*	2016*	2015*	2014*
Total Pension Liability								
Service Cost	\$ 876,000	\$ 624,000	\$ 615,000	\$ 644,000	\$ 642,000	\$ 639,000	\$ 678,000	\$ 645,000
Interest	2,126,000	2,120,000	2,085,000	2,025,000	1,962,000	1,854,000	1,806,000	1,755,000
Changes of benefit terms	5,212,000	-	-	-	-	-	-	-
Differences between Expected and Actual Experience	643,000	(653,000)	(288,000)	97,000	172,000	(66,000)	(57,000)	-
Changes of Assumptions	-	-	-	-	-	1,051,000	-	-
Benefit Payments, including Refunds of Member Contributions	(2,145,000)	(1,844,000)	(1,800,000)	(1,745,000)	(1,702,000)	(1,659,000)	(1,595,000)	(1,511,000)
Net Change in Total Pension Liability	6,712,000	247,000	612,000	1,021,000	1,074,000	1,819,000	832,000	889,000
Total Pension Liability - Beginning	36,500,000	36,253,000	35,641,000	34,620,000	33,546,000	31,727,000	30,895,000	30,006,000
Total Pension Liability - Ending (a)	<u>\$ 43,212,000</u>	<u>\$ 36,500,000</u>	<u>\$ 36,253,000</u>	<u>\$ 35,641,000</u>	<u>\$ 34,620,000</u>	<u>\$ 33,546,000</u>	<u>\$ 31,727,000</u>	<u>\$ 30,895,000</u>
Plan Fiduciary Net Position								
Contributions - Plan Sponsor	\$ 1,883,000	\$ 1,997,000	\$ 2,073,000	\$ 1,855,000	\$ 1,768,000	\$ 1,913,000	\$ 2,031,000	\$ 1,935,000
Net Investment Income	7,825,000	1,451,000	1,746,000	2,054,000	2,536,000	(332,000)	840,000	2,818,000
Benefit Payments, Including Refunds of Member Contributions	(2,145,000)	(1,844,000)	(1,800,000)	(1,746,000)	(1,701,000)	(1,659,000)	(1,595,000)	(1,511,000)
Administrative Expense	(17,000)	(26,000)	(14,000)	(14,000)	(17,000)	(15,000)	(14,000)	(15,000)
Net Change in Plan Fiduciary Net Position	7,546,000	1,578,000	2,005,000	2,149,000	2,586,000	(93,000)	1,262,000	3,227,000
Plan Fiduciary Net Position - Beginning	32,529,000	30,951,000	28,946,000	26,797,000	24,211,000	24,304,000	23,042,000	19,815,000
Plan Fiduciary Net Position - Ending (b)	<u>\$ 40,075,000</u>	<u>\$ 32,529,000</u>	<u>\$ 30,951,000</u>	<u>\$ 28,946,000</u>	<u>\$ 26,797,000</u>	<u>\$ 24,211,000</u>	<u>\$ 24,304,000</u>	<u>\$ 23,042,000</u>
County's Net Pension Liability - Ending (a) - (b)	<u>\$ 3,137,000</u>	<u>\$ 3,971,000</u>	<u>\$ 5,302,000</u>	<u>\$ 6,695,000</u>	<u>\$ 7,823,000</u>	<u>\$ 9,335,000</u>	<u>\$ 7,423,000</u>	<u>\$ 7,853,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.74%	89.12%	85.38%	81.22%	77.40%	72.17%	76.60%	74.58%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
County's Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected Average Remaining Service Years of All Participants	6	6	6	6	6	6	8	7

*Numbers are rounded to the nearest 1,000

Notes to Schedule:

Benefit Changes: In FY2021, the benefit multiplier increased from \$12 per month to \$13 per month for each of the first 25 years of service. The maximum benefit increased from \$450 per month to \$475 per month.

All surviving spouse annuity percentages increased from 50% to 75%

Change of Assumptions:

FY2016 reflects a change in mortality assumption from the RP-2000 tables with generational projection by scale AA to the RP-2014 adjusted to 2006 Mortality Table with generational projection by scale MP-2015.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN
Last 10 Fiscal Years
(Information for FY2013 and earlier not available)

Schedule 7

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 1,883,255	\$ 1,997,167	\$ 2,072,513	\$ 1,854,906	\$ 1,767,558	\$ 1,912,843	\$ 1,981,000	\$ 1,934,886
Contributions in Relation to the Actuarially Determined Contribution	1,883,255	1,997,167	2,072,513	1,854,906	1,767,558	1,912,843	2,030,844	1,934,886
Contribution (Excess) Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (49,844)	\$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of September 30 for the second fiscal year immediately following the current fiscal year. Actuarial values are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal (Level Dollar)
Amortization Method	Level Payments over Closed Periods
Remaining Amortization Period	15 years
Asset Valuation Method	Market Value as of June 30, Projected to September 30
Inflation	3.0 Percent
Salary Increases	Not Applicable
Investment Rate of Return	6.0 percent, Net of Pension Plan Investment Expense, Including Inflation
Retirement Age	Upon First Eligibility for Benefits
Mortality	RP-2014 adjusted to 2006 Mortality Table with Blue Collar adjustments set forward one year with generations projected by Scale MP - 2015

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS
LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN
Last 10 Fiscal Years
(Information for FY2012 is not available)

Schedule 8

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return, net of investment expense	23.86%	4.81%	6.06%	7.50%	10.50%	-0.71%	4.18%	13.97%	10.00%

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET LIABILITY AND RELATED RATIOS
OTHER POST EMPLOYMENT BENEFITS
Last 10 Fiscal Years
(Information for FY2016 and earlier is not available)

Schedule 9

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 3,884,000	\$ 3,920,000	\$ 4,301,000	\$ 4,665,000	\$ 4,494,000
Interest	16,889,000	16,357,000	17,085,000	14,367,000	13,652,000
Experience Losses/(Gains)	(5,305,000)	(2,845,000)	(24,559,000)	29,313,000	-
Changes in Assumptions	-	1,012,000	3,404,000	-	-
Benefit Payments	(9,361,000)	(10,706,000)	(10,777,000)	(8,893,000)	(7,893,000)
Net Change in Total OPEB Liability	6,107,000	7,738,000	(10,546,000)	39,452,000	10,253,000
Total OPEB Liability - Beginning	245,872,000	238,134,000	248,680,000	209,228,000	198,975,000
Total OPEB Liability - Ending (a)	<u>\$ 251,979,000</u>	<u>\$ 245,872,000</u>	<u>\$ 238,134,000</u>	<u>\$ 248,680,000</u>	<u>\$ 209,228,000</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 11,893,000	\$ 11,752,000	\$ 13,639,000	\$ 12,333,000	\$ 9,931,000
Net Investment Income	38,855,000	5,920,000	6,667,000	10,018,000	11,411,000
Benefit Payments	(9,361,000)	(10,706,000)	(10,777,000)	(8,893,000)	(7,893,000)
Administrative Expense	(13,000)	(142,000)	(19,000)	(17,000)	(12,000)
Net Change in Plan Fiduciary Net Position	41,374,000	6,824,000	9,510,000	13,441,000	13,437,000
Plan Fiduciary Net Position - Beginning	134,151,000	127,327,000	117,817,000	104,376,000	90,939,000
Plan Fiduciary Net Position - Ending (b)	<u>\$ 175,525,000</u>	<u>\$ 134,151,000</u>	<u>\$ 127,327,000</u>	<u>\$ 117,817,000</u>	<u>\$ 104,376,000</u>
County's Net OPEB Liability - Ending (a) - (b)	<u>\$ 76,454,000</u>	<u>\$ 111,721,000</u>	<u>\$ 110,807,000</u>	<u>\$ 130,863,000</u>	<u>\$ 104,852,000</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	69.66%	54.56%	53.47%	47.38%	49.89%
Covered-Employee Payroll ¹	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
County's Net OPEB Liability as a Percentage of Covered Payroll ¹	N/A	N/A	N/A	N/A	N/A
Expected Average Remaining Service Years of All Participants	5	5	5	6	6

Notes to Schedule:

Benefit Changes: There were no benefit changes in FY2017 - FY2021

Change of Assumptions:

FY2020 the medical trend was updated to the latest model released by the SOA and excludes the impact of the Cadillac Tax. Also, the mortality assumption was updated to the latest experience study on public sector employees and retirees released by the SOA.

FY2019 the long term medical trend was updated based upon the SOA model released August 2017.

¹ OPEB does not require contributions from plan members.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS
Last 10 Fiscal Years
(Information for FY2013 and earlier is not available)

Schedule 10

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 11,893,000	\$ 11,752,000	\$ 13,639,000	\$ 12,333,000	\$ 9,931,000	\$ 10,162,000	\$ 13,794,000	\$ 13,381,000
Contributions in Relation to the Actuarially Determined Contribution	11,893,000	11,752,000	13,639,000	12,333,000	9,931,000	10,162,000	13,794,000	13,381,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered-Employee Payroll ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Methods and assumptions used to determine contribution rates:

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Payroll, closed
Remaining amortization period	20
Asset valuation method	Market Value of Assets
Investment rate of return	7.00%
Payroll growth rate	3.50%
Inflation	2.20%
Healthcare cost trend rate	The trend for 2020 is 5.3%. The ultimate trend is 3.9%

¹ OPEB does not require contributions from plan members.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS
OTHER POST EMPLOYMENT BENEFITS
Last 10 Fiscal Years
(Information for FY2016 and earlier is not available)

Schedule 11

	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	27.01%	4.62%	5.62%	9.17%	12.39%

Combining and Individual Fund
Financial Statements
&
Schedules

Combining Statements

Non-major Governmental Funds

Special Revenue Funds

Parks & Recreation Special Revenue Fund – Parks & Recreation Special Revenue Fund was established by Council Bill 00-64 to account for the revenues and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils and the Oakington Peninsula.

Watershed Management Special Revenue Fund (previously known as Stormwater Management) – This fund was established to account for the watershed remediation operation. Resolution No. 005-15 authorized the recordation tax remain at a rate of \$3.30 for each \$500.00 or fraction thereof of the actual consideration payable or of the principal amount of the debt secured for an instrument of writing; and resolved that the revenue from such tax at the rate of \$0.55 be dedicated to fund the implementation of local watershed protection and restoration projects throughout Harford County, effective July 1, 2015.

Debt Service Fund

The Beechtree Tax Increment Financing (TIF) – This fund accumulates the incremental property tax revenues related to the Beechtree Estates Project created in 2011 and also any special assessment tax imposed on the Beechtree Estates Project. The funds are used to pay the principal and interest on the special obligation bonds, the proceeds of which fund capital improvements within the Project. Any unused funds over contractual reserves may revert to the General Fund at the end of the fiscal year.

HARFORD COUNTY, MARYLAND
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2021

Exhibit A-1

	Special Revenue		Debt Service	Total
	Parks and Recreation	Watershed Management	Beechtree TIF	Non-major Governmental Funds
ASSETS				
Equity in Pooled Cash and Investments	\$ 53,917	\$ 10,469,592	\$ 718,231	\$ 11,241,740
Cash and Investments	750	-	-	750
Taxes and Accounts Receivable (Net)	79	72	-	151
Deposit with Trustee	-	-	1,364,883	1,364,883
Restricted Assets - Investments	-	932,836	-	932,836
TOTAL ASSETS	\$ 54,746	\$ 11,402,500	\$ 2,083,114	\$ 13,540,360
LIABILITIES				
Accounts Payable	\$ 4,021	\$ 272,746	\$ -	\$ 276,767
Accrued Expenditures	10,588	17,788	-	28,376
Escrow Accounts	8,220	-	-	8,220
Total Liabilities	22,829	290,534	-	313,363
FUND BALANCES				
Restricted	-	932,836	2,083,114	3,015,950
Assigned	31,917	10,179,130	-	10,211,047
Total Fund Balances	31,917	11,111,966	2,083,114	13,226,997
TOTAL LIABILITIES AND FUND BALANCES	\$ 54,746	\$ 11,402,500	\$ 2,083,114	\$ 13,540,360

HARFORD COUNTY, MARYLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2021

Exhibit A-2

	Special Revenue		Debt Service	Total
	Parks and Recreation	Watershed Management	Beechtree TIF	Non-major Governmental Funds
REVENUES				
Taxes	\$ -	\$ 3,666,857	\$ 1,803,280	\$ 5,470,137
Investment Income	38	9,802	1,289	11,129
Charges for Current Services	405,378	-	-	405,378
Total Revenues	405,416	3,676,659	1,804,569	5,886,644
EXPENDITURES				
Current:				
Parks, Recreation and Natural Resources	498,981	-	-	498,981
Public Works	-	1,608,791	-	1,608,791
Debt Service:				
Principal	-	546,941	100,000	646,941
Interest	-	371,114	1,034,625	1,405,739
Administrative Costs	-	24,235	455,494	479,729
Total Expenditures	498,981	2,551,081	1,590,119	4,640,181
Excess (Deficiency) of Revenues over Expenditures	(93,565)	1,125,578	214,450	1,246,463
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(700,000)	-	(700,000)
Issuance of Refunding Bonds	-	-	11,365,000	11,365,000
Premium on Issuance of Bonds	-	651,679	1,759,454	2,411,133
Payment to Escrow Agent for Refunding	-	-	(13,816,589)	(13,816,589)
Total Other Financing Sources (Uses)	-	(48,321)	(692,135)	(740,456)
Net Change in Fund Balances	(93,565)	1,077,257	(477,685)	506,007
Fund Balances--Beginning	125,482	10,034,709	2,560,799	12,720,990
Fund Balances--Ending	\$ 31,917	\$ 11,111,966	\$ 2,083,114	\$ 13,226,997

Fiduciary Funds

Private Purpose Trust Funds – are used to account for resources legally held in a trustee capacity and are comprised of:

Bar Library Trust Fund – The Bar Library private purpose trust fund was established in 1999 to account for all expenditures associated with the operations of the Bar Library of the Circuit Court of Harford County. Fines and appearance fees provide the source of revenues.

BVL Cooperating Parties Group – This private purpose trust fund was established in September 1996 to account for revenues collected from potentially responsible parties for the purpose of undertaking the design and construction of the remedial systems deemed necessary at the Bush Valley Landfill site.

OT Cooperating Parties Group – This private purpose trust fund was established in May 2020 to hold and distribute funds in accordance to the terms established for the design and construction of the infrastructure deemed necessary for the Old Trails Subdivision.

Custodial Funds – are resources held in a purely custodial capacity and are comprised of:

Pass-Through Grants – This fund accounts for financial assistance received from other governments and transferred to another government, individual, not-for-profit or other organization. Harford County Government serves merely as the cash conduit.

Harford County Public Entities Healthcare Consortium - This fund was established to account for a rate stabilization reserve fund created for the Harford County Public Entities Healthcare Consortium. The consortium was formed for the purpose of pooling resources to purchase health insurance thereby reducing administrative expenses. Harford County Government serves as an agent with little or no discretion in determining how the funding will be directed.

Seizure of Assets – This fund was established to account for the possession of assets during the course of a criminal investigation. Harford County Government serves as an agent with little or no discretion in determining how the funding will be directed.

HARFORD COUNTY, MARYLAND
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2021

Exhibit B-1

	<u>Bar Library</u>	<u>BVL Cooperating Parties Group</u>	<u>OT Cooperating Parties Group</u>	<u>Total</u>
ASSETS				
Equity in Pooled Cash and Investments	\$ 384,187	\$ 1,461,016	\$ 855,500	\$ 2,700,703
Cash Equivalents	-	686,880	-	686,880
Total Assets	<u>384,187</u>	<u>2,147,896</u>	<u>855,500</u>	<u>3,387,583</u>
LIABILITIES				
Accounts Payable	7,821	53	-	7,874
Total Liabilities	<u>7,821</u>	<u>53</u>	<u>-</u>	<u>7,874</u>
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments	\$ <u>376,366</u>	\$ <u>2,147,843</u>	\$ <u>855,500</u>	\$ <u>3,379,709</u>

HARFORD COUNTY, MARYLAND
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2021

Exhibit B-2

	<u>Bar Library</u>	<u>BVL Cooperating Parties Group</u>	<u>OT Cooperating Parties Group</u>	<u>Total</u>
ADDITIONS				
Member Contributions	\$ 36,883	\$ -	\$ -	\$ 36,883
Interest and Dividends	405	51,102	-	51,507
Total Additions	<u>37,288</u>	<u>51,102</u>	<u>-</u>	<u>88,390</u>
DEDUCTIONS				
Payments to Participants or Beneficiaries	<u>70,397</u>	<u>138,694</u>	<u>44,500</u>	<u>253,591</u>
Total Deductions	<u>70,397</u>	<u>138,694</u>	<u>44,500</u>	<u>253,591</u>
Net Increase (Decrease) in Fiduciary Net Position	(33,109)	(87,592)	(44,500)	(165,201)
Net Position - Beginning	<u>409,475</u>	<u>2,235,435</u>	<u>900,000</u>	<u>3,544,910</u>
Net Position - Ending	<u>\$ 376,366</u>	<u>\$ 2,147,843</u>	<u>\$ 855,500</u>	<u>\$ 3,379,709</u>

HARFORD COUNTY, MARYLAND
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

Exhibit B-3

	Pass-Through Grants	Healthcare Consortium	Seizure of Assets	Total
ASSETS				
Equity in Pooled Cash	\$ -	\$ -	\$ 547,669	\$ 547,669
Cash Equivalents	-	22,294,781	-	22,294,781
Federal and State Receivable	444,920	-	-	444,920
Total Assets	<u>444,920</u>	<u>22,294,781</u>	<u>547,669</u>	<u>23,287,370</u>
LIABILITIES				
Accounts Payable	444,920	-	-	444,920
Total Liabilities	<u>444,920</u>	<u>-</u>	<u>-</u>	<u>444,920</u>
NET POSITION				
Net Position Restricted for Individuals, Organizations, and Governments	\$ -	\$ 22,294,781	\$ 547,669	\$ 22,842,450

HARFORD COUNTY, MARYLAND
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021

Exhibit B-4

	<u>Pass-Through Grants</u>	<u>Healthcare Consortium</u>	<u>Seizure of Assets</u>	<u>Total</u>
ADDITIONS				
Grant, Contributions or Seizures	\$ 4,702,491	\$ 23,245,016	\$ 557,395	\$ 28,504,902
Interest and Dividends	-	18,019	6,494	24,513
Total Additions	<u>4,702,491</u>	<u>23,263,035</u>	<u>563,889</u>	<u>28,529,415</u>
DEDUCTIONS				
Payments to Participants or Beneficiaries	<u>4,702,491</u>	<u>15,000,000</u>	<u>794,359</u>	<u>20,496,850</u>
Total Deductions	<u>4,702,491</u>	<u>15,000,000</u>	<u>794,359</u>	<u>20,496,850</u>
Net Increase (Decrease) in Fiduciary Net Position	-	8,263,035	(230,470)	8,032,565
Net Position - Beginning, Restated	-	<u>14,031,746</u>	<u>778,139</u>	<u>14,809,885</u>
Net Position - Ending	\$ <u>-</u>	\$ <u>22,294,781</u>	\$ <u>547,669</u>	\$ <u>22,842,450</u>

SCHEDULES

Governmental Funds

General Fund

General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the County, the General Fund includes such activities as public safety, education, and recreation services.

Special Revenue Funds

Highways Operating Fund accounts for dedicated property tax revenues that are legally restricted to the maintenance, care, and repair of roads and bridges located outside the boundaries of the three incorporated municipalities in Harford County, all expenditures of the County Department of Public Works concerning county highways, all expenditures of the County and/or Sheriff's Office regarding traffic patrol and highway safety, and County-related transportation expenditures.

Parks and Recreation Special Revenue Fund was established by Council Bill 00-64 to account for the receipts and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils and the Oakington Peninsula.

Watershed Management Special Revenue Fund (previously known as Stormwater Management) was established to account for the watershed remediation operation. Resolution No. 005-15 authorized the recordation tax remain at a rate of \$3.30 for each \$500 or fraction thereof of the actual consideration payable or of the principal amount of the debt secured for an instrument of writing; and resolved that the revenue from such tax at the rate of \$0.55 be dedicated to fund the implementation of local watershed protection and restoration projects throughout Harford County, effective July 1, 2015.

Debt Service Fund

The Beechtree Tax Increment Financing (TIF) accumulates the incremental property tax revenues related to the Beechtree Estates Project (the Project) created in 2011 and any special assessment tax imposed on the Project. The funds are used to pay the principal and interest on the special obligation bonds, the proceeds of which fund capital improvements within the Project. Any unused funds over contractual reserves may revert to the General Fund at the end of the fiscal year.

(continued)

SCHEDULES

Governmental Funds

(continued)

Capital Projects Fund

General County Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities of all major and non-major governmental funds as well as the Harford County Public Schools, Harford Community College and Harford County Public Library.

Proprietary Fund

Enterprise Fund

Water and Sewer Fund accounts for the operation, construction, or acquisition of capital assets and related debt service cost of the public water and sewer facilities.

General Fund

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021

Exhibit C-1

REVENUES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Taxes				
Admissions and Amusement Tax	\$ 200,000	\$ 200,000	\$ 160,758	\$ (39,242)
Business Personal Property/Current Year	425,000	425,000	377,905	(47,095)
Business Personal Property/Prior Years	(5,000)	(5,000)	(18,956)	(13,956)
Corporate Property/Current Year	16,200,000	16,200,000	17,779,070	1,579,070
Corporate Property/Prior Years	(400,000)	(400,000)	(58,508)	341,492
Delinquent Tax Costs	75,000	75,000	81,368	6,368
Heavy Equipment Receipts Tax - Corporate	215,000	215,000	142,929	(72,071)
Hotel Occupancy Tax	1,100,000	1,100,000	1,684,131	584,131
Impact Fees	1,750,000	1,750,000	4,000,200	2,250,200
Income Taxes	257,200,000	257,200,000	290,415,199	33,215,199
Interest on Delinquent Taxes	800,000	800,000	948,454	148,454
Mobile Home Excise Tax	213,000	213,000	208,940	(4,060)
Payment in Lieu of Taxes	500,000	500,000	554,673	54,673
Penalty	825,000	825,000	972,914	147,914
Railroad and Public Utilities/Current Year	15,400,000	15,400,000	16,632,085	1,232,085
Real Property - Full Year Levy/Current Years	257,020,000	257,020,000	259,361,701	2,341,701
Real Property - Full Year Levy/Prior Years	(20,000)	(20,000)	(34,285)	(14,285)
Real Property - Half Year Levy/Current Years	900,000	900,000	850,146	(49,854)
911 Program Fee	2,750,000	2,750,000	2,687,434	(62,566)
	555,148,000	555,148,000	596,746,158	41,598,158
Less: Tax Credits and Uncollectibles				
Ag. Preservation Incentive/Easements	(1,250,000)	(1,250,000)	(1,327,893)	(77,893)
Community Association Credit	(5,500)	(5,500)	(5,333)	167
Conservation Land Tax Credit	(2,000)	(2,000)	(1,715)	285
Discounts Allowed on Taxes	-	-	2,755	2,755
Enterprise Zone Tax Credit	(1,100,000)	(1,100,000)	(1,439,631)	(339,631)
Habitat For Humanity Tax Credit	(5,000)	(5,000)	(2,745)	2,255
Historical Tax Credit	(4,000)	(4,000)	(2,871)	1,129
Homeowner's Tax Credit - County	(300,000)	(300,000)	(280,262)	19,738
Homestead Tax Credit - County	(130,000)	(130,000)	(231,346)	(101,346)
Landfill Proximity Credit	(57,000)	(57,000)	(55,647)	1,353
Senior/Retired Military Tax Credit	(1,275,000)	(1,275,000)	(1,544,057)	(269,057)
Solar/Geothermal Energy Tax Credit	(430,000)	(430,000)	(431,774)	(1,774)
Surviving Spouse - Fallen Hero Tax Credit	(5,000)	(5,000)	-	5,000
Uncollectible Property Taxes	200,000	200,000	72,515	(127,485)
	(4,363,500)	(4,363,500)	(5,248,004)	(884,504)
Total Taxes	550,784,500	550,784,500	591,498,154	40,713,654

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021
(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
Revenues from Other Agencies				
Build America Bond Interest Credit	643,000	643,000	-	(643,000)
DNR Parks PILOT	65,000	65,000	79,724	14,724
Jury Compensation	173,000	173,000	35,625	(137,375)
Medicare D Subsidy	287,000	287,000	312,348	25,348
Police Protection	2,069,000	2,069,000	2,102,986	33,986
State 911 Fee	-	-	272,343	272,343
Total Revenues from Other Agencies	3,237,000	3,237,000	2,803,026	(433,974)
Investment Income	500,000	500,000	144,000	(356,000)
Charges for Current Services				
Abandoned Buildings	45,000	45,000	786	(44,214)
Administrative Fee - Cobra Insurance	600	600	550	(50)
Auto Commute - County Employees	6,100	6,100	4,114	(1,986)
Bad Check Fee	3,700	3,700	5,330	1,630
Board of Prisoners	289,000	289,000	70,998	(218,002)
Building Reinspection Fee	2,600	2,600	2,350	(250)
Child Custody	3,300	3,300	1,300	(2,000)
Commissions	187,000	187,000	166,869	(20,131)
Community Work Service	14,000	14,000	7,051	(6,949)
Concept Plans	10,000	10,000	-	(10,000)
County Recreation Programs	80,000	80,000	36,080	(43,920)
Detention Center Commissary	403,000	403,000	411,797	8,797
Electrical Reinspection Fees	3,000	3,000	2,400	(600)
EMS-Ambulance Fees	500,000	500,000	636,133	136,133
Extension Preliminary Plan Approval	100	100	100	-
False Burglar Alarm Service Charges	66,000	66,000	37,697	(28,303)
False Fire Alarm Service Charges	22,000	22,000	8,346	(13,654)
Final Plats	17,500	17,500	16,360	(1,140)
Flying Point and Mariner Park Revenue	20,000	20,000	33,957	13,957
Food Service Licenses	111,000	111,000	78,770	(32,230)
Forest Conservation Plan Review	9,200	9,200	3,989	(5,211)
Forest Stand Delineation Review	7,400	7,400	3,288	(4,112)
Ground Floor Fees	31,000	31,000	1,700	(29,300)
Harford Cable Network	9,000	9,000	1,350	(7,650)
Hazardous Material Spill Cleanup	8,300	8,300	9,408	1,108
Household Waste - Private Vehicle Charge	532,000	532,000	666,709	134,709
Inmate Fees for Medical Services	2,300	2,300	910	(1,390)
Inspections	11,500	11,500	5,300	(6,200)
Mechanical Investigation Fees	1,300	1,300	250	(1,050)

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021
(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Charges for Current Services (continued)				
Mechanical Reinspection Fee	900	900	500	(400)
Miscellaneous Revenue - Sheriff's Office	53,000	53,000	6,860	(46,140)
Noxious Weed	4,000	4,000	14,182	10,182
Overtime Reimbursements - Sheriff	423,000	423,000	306,873	(116,127)
Percolation Tests	20,000	20,000	23,850	3,850
Plumbing Reinspection Fees	700	700	450	(250)
Police Reports	16,700	16,700	21,333	4,633
Public Swimming Pool & Spa Permit	20,000	20,000	14,800	(5,200)
Publications	100	100	-	(100)
Publication/Ad Charges	-	-	23,300	23,300
Recycled Batteries	6,000	6,000	5,968	(32)
Recycled Scrap Metal	146,000	146,000	147,437	1,437
Recycling Revenue - Misc.	2,100	2,100	2,060	(40)
Reproduction	2,100	2,100	2,184	84
Sale of Compost - Scarboro	15,000	15,000	37,555	22,555
Sale of Mulch - Scarboro	79,000	79,000	79,513	513
Sanitation Construction Permit Fee	10,000	10,000	11,040	1,040
Sanitation Permits	7,000	7,000	8,800	1,800
Senior Center Fees	500,000	500,000	-	(500,000)
Sheriff's Fees	364,000	364,000	173,140	(190,860)
Sheriff's Licenses	11,700	11,700	3,690	(8,010)
Site Plans	26,500	26,500	13,789	(12,711)
Social Security Payments - Inmates	29,000	29,000	7,800	(21,200)
Subdivision Plans	61,000	61,000	14,553	(46,447)
Subdivision Plat Review	7,100	7,100	5,950	(1,150)
Tax Lien Certification	225,000	225,000	265,300	40,300
Tax Lien Filing Fees	1,200	1,200	105	(1,095)
Tax Sale Auctioneer Fees	2,800	2,800	3,930	1,130
Technical Review	74,000	74,000	82,014	8,014
Telephone Service	14,000	14,000	10,728	(3,272)
Tipping Fee Landfill	10,150,000	10,150,000	11,183,187	1,033,187
Tire Disposal Fees	700	700	532	(168)
Training Academy - Sheriff's Office	68,000	68,000	36,195	(31,805)
Weekend Prisoner Revenue	55,000	55,000	20,320	(34,680)
Well Sampling	20,000	20,000	16,490	(3,510)
Work Release Revenue	42,000	42,000	-	(42,000)
Zoning Appeals	31,000	31,000	38,904	7,904
Zoning Certificates	4,900	4,900	3,320	(1,580)
Zoning Reclass Fee	1,600	1,600	3,136	1,536
Total Charges for Current Services	14,891,000	14,891,000	14,803,680	(87,320)

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021
(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
Miscellaneous				
Contributions and Donations	5,000	5,000	5,000	-
Edgewood Community Center	15,000	15,000	10,134	(4,866)
Grant Unemployment	55,000	55,000	51,670	(3,330)
Interest on Miscellaneous Invoices	6,200	6,200	-	(6,200)
Miscellaneous Revenue	56,258	56,258	70,697	14,439
Over and Short	40,000	40,000	(835)	(40,835)
Postage	209,000	209,000	187,622	(21,378)
Pro Rata Charges - Highways	3,033,146	3,033,146	3,033,146	-
Pro Rata Charges - Parks and Recreation	161,132	161,132	71,283	(89,849)
Pro Rata Charges - Water and Sewer	3,263,070	3,263,070	3,263,070	-
Pro Rata Charges - Self Insurance	231,560	231,560	231,560	-
Recovery from Capital Projects	26,000	26,000	21,567	(4,433)
Reimbursement of AG Credits	1,249,000	1,249,000	1,327,893	78,893
Rental Income	241,000	241,000	278,086	37,086
Sale of Equipment	17,000	17,000	36,689	19,689
Sale of Vehicles	129,000	129,000	512,150	383,150
Total Miscellaneous	8,737,366	8,737,366	9,099,732	362,366
Licenses and Permits				
Auctioneers Licenses	9,500	9,500	7,965	(1,535)
Building Inspection Services	126,000	126,000	144,124	18,124
Building Penalty	500	500	-	(500)
Building Permits	488,000	488,000	447,226	(40,774)
Cable TV	2,426,000	2,426,000	2,327,359	(98,641)
Dog Licenses	22,000	22,000	18,953	(3,047)
Electrical Board of Examiners	89,000	89,000	97,035	8,035
Electrical Penalty	1,800	1,800	250	(1,550)
Electrical Permits	463,000	463,000	447,493	(15,507)
Forest Harvest Permit	1,400	1,400	1,750	350
Kennel Licenses	1,800	1,800	400	(1,400)
Marriage Licenses	8,000	8,000	7,452	(548)
Marriage Licenses/Spouse Abuse	52,000	52,000	50,374	(1,626)
Massage Establishment Licenses	200	200	225	25
Mechanical Licenses	12,000	12,000	8,010	(3,990)
Mechanical Permits	258,000	258,000	265,677	7,677
Mobile Home Park Licenses	13,400	13,400	11,400	(2,000)
Pawnbrokers Licenses	200	200	700	500
Pet Shop/Grooming Licenses	1,700	1,700	850	(850)
Plumbing Licenses	24,000	24,000	23,955	(45)
Plumbing Permits	376,000	376,000	349,303	(26,697)

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021
(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
Licenses and Permits (continued)				
Plumbing Penalty	200	200	250	50
Refuse Licenses	12,000	12,000	14,950	2,950
Solicitors Licenses	1,900	1,900	121	(1,779)
Taxi Cab Licenses	2,600	2,600	1,450	(1,150)
Towing Licenses	4,800	4,800	4,100	(700)
Traders Licenses	239,700	239,700	237,735	(1,965)
Total Licenses and Permits	4,635,700	4,635,700	4,469,107	(166,593)
Fines and Forfeitures				
Court Fines	84,000	84,000	7,781	(76,219)
Dog License Fines	4,100	4,100	2,690	(1,410)
Parking Fines	22,000	22,000	7,302	(14,698)
Parking Fines - County Lots	39,000	39,000	6,640	(32,360)
Total Fines and Forfeitures	149,100	149,100	24,413	(124,687)
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	27,435,000	30,929,901	-	(30,929,901)
Operating Transfers In:				
Grants	632,000	632,000	-	(632,000)
Capital Project	21,433,334	21,433,334	21,433,334	-
Total Operating Transfers In	22,065,334	22,065,334	21,433,334	(632,000)
Premium on Issuance of Bonds	-	-	5,176,260	5,176,260
Total Other Financing Sources (Uses)	49,500,334	52,995,235	26,609,594	(26,385,641)
Total Revenues and Other Financing Sources (Uses)	\$ 632,435,000	\$ 635,929,901	\$ 649,451,706	\$ 13,521,805

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021

Exhibit C-2

EXPENDITURES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Current:				
County Council				
Board of Appeals & Rezoning	\$ 184,880	\$ 187,930	\$ 162,214	\$ 25,716
County Council Office	1,648,098	1,669,419	1,471,090	198,329
Harford Cable Network	872,646	878,417	739,689	138,728
Office of County Attorney	320,676	300,676	233,513	67,163
Office of County Auditor	502,227	502,227	470,212	32,015
Total County Council	3,528,527	3,538,669	3,076,718	461,951
General Government				
Office of the County Executive	799,973	799,973	716,524	83,449
Director of Administration				
Budget & Management Research	836,753	799,574	581,572	218,002
Central Services	636,159	639,863	556,868	82,995
Citizen Affairs & Administrative Services	621,430	621,430	454,356	167,074
Director of Administration	647,397	704,836	573,977	130,859
Facilities & Operations	5,258,737	5,299,898	4,695,468	604,430
Property Management	1,187,826	1,196,365	1,162,193	34,172
Department of Procurement				
Procurement Operations	931,262	936,086	823,732	112,354
Department of the Treasury				
Bureau of Accounting	1,984,619	1,931,879	1,706,007	225,872
Bureau of Revenue Collections	962,512	1,046,524	1,022,328	24,196
Office of the Treasurer	873,262	880,794	663,099	217,695
Department of Law				
Department of Law	2,130,897	2,161,089	1,791,630	369,459
Risk Management	203,404	206,154	190,344	15,810
Department of Planning & Zoning				
Comprehensive Planning and Special Projects	1,309,221	1,327,913	1,225,166	102,747
Current Planning	2,086,771	2,118,212	1,812,498	305,714
Director of Planning & Zoning	733,017	733,017	590,085	142,932
Department of Personnel				
Human Resources	1,096,161	1,108,311	980,517	127,794
Personnel Matters	1,303,675	2,703,675	2,129,169	574,506
Office of Government & Community Relations	749,927	753,081	597,158	155,923
Office of Information and Communication Technology	10,942,261	10,975,987	10,364,679	611,308
Elections				
Board of Elections	1,197,366	1,424,317	1,418,503	5,814
Election Expense	1,478,079	1,251,128	1,251,125	3
Economic Development				
Office of Economic Development	1,963,277	1,973,397	1,704,787	268,610
Harford Transit	377,562	379,920	-	379,920
Tourism & Marketing	2,080,000	2,080,000	1,780,250	299,750
Benefits	10,449,572	10,449,572	10,313,168	136,404
Insurance	553,498	553,498	553,498	-
Leases	3,950,000	3,950,000	3,446,578	503,422

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021
(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
General Government (continued)				
Miscellaneous				
Appropriations to Towns	3,964,793	3,964,793	3,964,793	-
Appropriations to State	1,170,000	1,170,000	832,146	337,854
Contingency Reserve	100,000	100,000	-	100,000
Humane Society	950,000	950,000	950,000	-
Total General Government	63,529,411	65,191,286	58,852,218	6,339,068
Education-Primary thru Comm. College				
Harford County Public Schools	276,927,778	276,927,778	276,927,778	-
Harford Community College	17,547,931	17,547,931	17,547,931	-
Total Education-Primary thru Community College	294,475,709	294,475,709	294,475,709	-
Harford Center	604,012	604,012	604,012	-
Judicial				
Circuit Court	1,959,269	2,077,737	1,968,491	109,246
Community Work Service	381,652	386,033	378,575	7,458
Family Court Services Division	680,262	687,388	656,127	31,261
Grand Jury	14,000	14,000	9,520	4,480
Jury Commissioner	372,000	374,538	338,555	35,983
Jury Services	274,982	175,434	45,865	129,569
Masters	233,560	235,381	221,087	14,294
State's Attorney	6,659,125	6,711,795	6,392,749	319,046
Total Judicial	10,574,850	10,662,306	10,010,969	651,337
Libraries	18,339,690	18,339,690	18,339,690	-
Parks, Recreation and Natural Resources				
Department of Parks and Recreation				
Parks and Facilities	6,767,597	6,814,325	5,270,954	1,543,371
Parks & Recreation Administration	1,256,739	1,315,724	1,028,758	286,966
Recreational Services	3,264,283	3,257,955	2,803,297	454,658
Conservation of Natural Resources				
Extension Service	276,802	276,802	273,138	3,664
Soil Conservation	555,960	559,020	520,530	38,490
Total Parks, Recreation and Natural Resources	12,121,381	12,223,826	9,896,677	2,327,149
Public Safety				
Sheriff's Office				
Administration	7,363,469	7,442,017	7,039,236	402,781
Correctional Services	26,868,616	26,905,388	25,013,002	1,892,386
Court Services	8,224,799	8,367,843	7,880,830	487,013
Criminal Investigation	11,042,159	11,488,775	11,354,806	133,969

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021
(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
Public Safety (continued)				
Inmate Welfare Fund	930,840	932,036	772,511	159,525
Patrol Operations	32,297,134	32,955,965	32,091,106	864,859
School Safety	3,637,524	3,682,190	3,005,460	676,730
Department of Inspections, Licenses and Permits				
Building Services	1,222,848	1,225,620	989,951	235,669
Director of DILP	846,141	857,422	799,440	57,982
Electrical Services	772,684	783,645	729,708	53,937
Plumbing Services	715,781	723,228	667,755	55,473
Emergency Operations				
Administration	2,070,757	2,074,615	1,767,184	307,431
Emergency Medical Services	8,851,774	8,739,274	7,775,161	964,113
HAZMAT Response Team	446,254	453,754	366,467	87,287
Natural Disasters	100,000	100,000	-	100,000
Rescue Support	210,099	245,099	186,469	58,630
Special Operations & Technical Services & Support	2,627,407	2,743,756	2,715,703	28,053
Volunteer Fire Companies	7,194,862	7,194,862	7,149,169	45,693
911 Emergency Communications	7,848,133	7,920,780	7,015,751	905,029
Total Public Safety	123,271,281	124,836,269	117,319,709	7,516,560
Public Works				
Department of Public Works				
Bureau of Environmental Affairs	177,364	181,828	179,630	2,198
Bureau of Solid Waste Management	6,500,870	6,525,870	5,929,999	595,871
Capital Projects Management	994,892	1,005,535	723,926	281,609
Closed Landfills - Post Closure Costs	252,840	252,840	211,906	40,934
Watershed Management	904,409	922,306	864,545	57,761
Transfer Station	12,000,000	11,975,000	11,294,614	680,386
Total Public Works	20,830,375	20,863,379	19,204,620	1,658,759
Social Services				
Department of Community Services				
Director - Community Services	2,482,317	2,990,150	2,572,085	418,065
Office of Drug Control	1,171,378	1,176,620	888,049	288,571
Office on Aging	2,400,485	1,917,387	1,306,904	610,483
ARC Northern Chesapeake Region	1,921,339	1,921,339	1,921,339	-
Housing Agency Services	1,436,160	1,441,174	1,093,308	347,866
Health Department	4,018,168	4,018,168	3,701,976	316,192
Total Social Services	13,429,847	13,464,838	11,483,661	1,981,177
Debt Service				
Debt Service - Principal	38,422,435	38,422,435	38,268,645	153,790
Debt Service - Interest	17,457,555	17,457,555	15,001,811	2,455,744
Debt Service - Administration Costs	640,000	640,000	209,389	430,611
Total Debt Service	56,519,990	56,519,990	53,479,845	3,040,145

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021
(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out:				
Grants	3,690,061	3,690,061	2,257,611	1,432,450
Capital Project	11,519,866	11,519,866	11,469,866	50,000
Total Operating Transfers Out	15,209,927	15,209,927	13,727,477	1,482,450
Total Other Financing Sources (Uses)	15,209,927	15,209,927	13,727,477	1,482,450
 Total Expenditures and Other Financing Sources (Uses)	 \$ 632,435,000	 \$ 635,929,901	 \$ 610,471,305	 \$ 25,458,596

Special Revenue Fund

HARFORD COUNTY, MARYLAND
Highways Special Revenues Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021

Exhibit D-1

REVENUES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Taxes				
Business Personal Property/Current Year	\$ 61,000	\$ 61,000	\$ 48,591	\$ (12,409)
Business Personal Property/Prior Years	(1,000)	(1,000)	(972)	28
Corporate Property/Current Year	2,140,000	2,140,000	2,394,887	254,887
Corporate Property/Prior Years	(50,000)	(50,000)	(7,648)	42,352
Interest on Delinquent Taxes	130,000	130,000	153,062	23,062
Payment in Lieu of Taxes	230,000	230,000	261,179	31,179
Penalty	130,000	130,000	158,036	28,036
Railroad and Public Utilities/Current Year	2,260,000	2,260,000	2,439,577	179,577
Real Property-Full Year Levy/Current Year	36,001,000	36,001,000	36,333,623	332,623
Real Property-Full Year Levy/Prior Years	(1,000)	(1,000)	(5,584)	(4,584)
Real Property-Half Year Levy/Current Year	100,000	100,000	116,926	16,926
	<u>41,000,000</u>	<u>41,000,000</u>	<u>41,891,677</u>	<u>891,677</u>
Less: Tax Credits and Uncollectibles				
AG Preservation Tax Credit	(210,000)	(210,000)	(231,216)	(21,216)
Enterprise Zone Tax Credits	(145,000)	(145,000)	(201,885)	(56,885)
Homeowner's Tax Credit - County	(40,000)	(40,000)	(29,070)	10,930
Community Association Credit	(700)	(700)	(682)	18
Conservation Land Tax Credit	(300)	(300)	(285)	15
Discounty Allowed	-	-	448	448
Historical Tax Credit	(600)	(600)	(158)	442
Homestead Tax Credit - County	(20,000)	(20,000)	(37,662)	(17,662)
Landfill Proximity Credit	(9,500)	(9,500)	(9,293)	207
Senior/Retired Military Credit	(200,000)	(200,000)	(240,647)	(40,647)
Solar Energy Credit	(65,000)	(65,000)	(60,445)	4,555
Surviving Spouse -Falling Hero Credit	(900)	(900)	-	900
Habitat For Humanity Credit	(500)	(500)	(632)	(132)
Uncollectible Property Taxes	30,000	30,000	8,688	(21,312)
	<u>(662,500)</u>	<u>(662,500)</u>	<u>(802,839)</u>	<u>(140,339)</u>
Total Taxes	<u>40,337,500</u>	<u>40,337,500</u>	<u>41,088,838</u>	<u>751,338</u>
Revenues from Other Agencies				
DNR Parks Pilot	9,000	9,000	11,181	2,181
Highways Users Tax	3,000,000	3,000,000	2,716,511	(283,489)
Total Revenues from Other Agencies	<u>3,009,000</u>	<u>3,009,000</u>	<u>2,727,692</u>	<u>(281,308)</u>
Investment Income	<u>50,000</u>	<u>50,000</u>	<u>19,820</u>	<u>(30,180)</u>
Charges for Current Services				
Auto Maintenance - Contract	55,000	55,000	50,009	(4,991)
Auto Maintenance - Non-Contract	18,000	18,000	13,070	(4,930)
Fuel Charges - County	536,000	536,000	439,349	(96,651)
Inspections	159,000	159,000	134,692	(24,308)
Onsite Inspection Fees	96,000	96,000	-	(96,000)

HARFORD COUNTY, MARYLAND
Highways Special Revenues Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021
(continued)

Exhibit D-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
Charges for Current Services (continued)				
Recycled Scrap Metal	2,600	2,600	3,091	491
Road Access Permit Fees	20,000	20,000	19,740	(260)
Signs and Linestriping	102,000	102,000	53,626	(48,374)
Technical Review	15,000	15,000	26,074	11,074
Utility Permit Fees	38,000	38,000	52,950	14,950
Total Charges for Current Services	1,041,600	1,041,600	792,601	(248,999)
Miscellaneous				
Director of DPW - Watershed	5,581	5,581	10,111	4,530
Director of DPW - Water and Sewer	194,560	194,560	194,560	-
Fleet Lease Revenue	3,200	3,200	342	(2,858)
Fuel Charges	2,169,000	2,169,000	1,892,439	(276,561)
Interest on Miscellaneous Invoices	2,100	2,100	-	(2,100)
Over and Short	-	-	(5)	(5)
Miscellaneous Revenue	40,199	40,199	55,099	14,900
Recovery from Capital Projects	340,000	340,000	1,029,763	689,763
Reimbursement from Other Departments	42,000	42,000	57,630	15,630
Reimbursement of AG Credit	207,000	207,000	231,216	24,216
Sale of Property - Vehicles	66,000	66,000	404,556	338,556
Vehicle Maintenance - Contract	2,542,900	2,542,900	2,902,780	359,880
Vehicle Maintenance - Non Contract	1,030,360	1,030,360	1,022,811	(7,549)
Total Miscellaneous	6,642,900	6,642,900	7,801,302	1,158,402
Fines and Forfeitures				
Vegetation Violations	19,000	19,000	-	(19,000)
Total Fines and Forfeitures	19,000	19,000	-	(19,000)
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	6,085,000	6,720,924	-	(6,720,924)
Premium on Issuance of Bonds	-	-	560,358	560,358
Total Other Financing Sources (Uses)	6,085,000	6,720,924	560,358	(6,160,566)
Total Revenues and Other Financing Sources (Uses)	\$ 57,185,000	\$ 57,820,924	\$ 52,990,611	\$ (4,830,313)

HARFORD COUNTY, MARYLAND
Highways Special Revenues Fund
Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2021

Exhibit D-2

EXPENDITURES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Current:				
Public Works				
Benefits	\$ 1,126,216	\$ 1,126,216	\$ 1,052,007	\$ 74,209
Bureau of Construction Management	2,333,419	2,364,571	1,838,707	525,864
Bureau of Highways Engineering	2,509,441	2,547,290	1,968,494	578,796
Bureau of Highways Maintenance	23,281,392	23,632,367	22,101,568	1,530,799
Contingency	200,000	200,000	-	200,000
Director of Public Works	349,683	349,683	323,345	26,338
Fleet Management	9,502,157	9,504,158	6,754,977	2,749,181
Personnel Matters	305,186	705,186	579,457	125,729
Snow Removal	2,559,498	2,373,445	1,784,171	589,274
Insurance	196,452	196,452	196,452	-
Total Public Works	42,363,444	42,999,368	36,599,178	6,400,190
Debt Service				
Principal	1,095,992	1,123,992	1,123,637	355
Interest	719,596	691,596	648,752	42,844
Administrative Costs	30,000	30,000	21,702	8,298
Total Debt Service	1,845,588	1,845,588	1,794,091	51,497
Total Expenditures	44,209,032	44,844,956	38,393,269	6,451,687
OTHER FINANCING SOURCES (USES)				
Transfers Out - Capital Projects	12,975,968	12,975,968	12,975,968	-
Total Other Financing Sources (Uses)	12,975,968	12,975,968	12,975,968	-
Total Expenditures and Other Financing Sources (Uses)	\$ 57,185,000	\$ 57,820,924	\$ 51,369,237	\$ 6,451,687

HARFORD COUNTY, MARYLAND
Parks and Recreation Special Revenue Fund
Schedule of Revenues, Expenditures, Encumbrances
And Changes In Fund Balance
Budget Basis (Non-GAAP) vs. Actual
For The Year Ended June 30, 2021

Exhibit D-3

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
REVENUES				
Investment Income	\$ 4,900	\$ 4,900	\$ 38	\$ (4,862)
Charges for Current Services	760,900	760,900	405,378	(355,522)
Total Revenue	765,800	765,800	405,416	(360,384)
EXPENDITURES				
Current:				
Parks, Recreation and Natural Resources	836,000	837,841	494,605	343,236
Total Expenditures	836,000	837,841	494,605	343,236
Excess (Deficiency) of Revenues Over Expenditures	(70,200)	(72,041)	(89,189)	(17,148)
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	195,200	197,041	89,189	(107,852)
Transfers Out	(125,000)	(125,000)	-	125,000
Total Other Financing Sources (Uses)	70,200	72,041	89,189	17,148
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Less: Appropriated Fund Balance			(89,189)	
Fund Balance - Beginning			131,940	
Fund Balance - Ending			\$ 42,751	

HARFORD COUNTY, MARYLAND
Watershed Management Special Revenue Fund
Schedule of Revenues, Expenditures, Encumbrances
And Changes In Fund Balance
Budget Basis (Non-GAAP) vs. Actual
For The Year Ended June 30, 2021

Exhibit D-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
REVENUES				
Taxes	\$ 2,883,333	\$ 2,883,333	\$ 3,666,857	\$ 783,524
Investment Income	104,367	104,367	9,802	(94,565)
Total Revenues	<u>2,987,700</u>	<u>2,987,700</u>	<u>3,676,659</u>	<u>688,959</u>
EXPENDITURES				
Current:				
Public Works	1,122,937	1,731,835	1,643,053	88,782
Debt Service	1,022,063	1,022,063	942,290	79,773
Total Expenditures	<u>2,145,000</u>	<u>2,753,898</u>	<u>2,585,343</u>	<u>168,555</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>842,700</u>	<u>233,802</u>	<u>1,091,316</u>	<u>857,514</u>
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	457,300	466,198	-	(466,198)
Transfers Out	(1,300,000)	(700,000)	(700,000)	-
Premium on Issuance on Bonds	-	-	651,679	651,679
Total Other Financing Sources (Uses)	<u>(842,700)</u>	<u>(233,802)</u>	<u>(48,321)</u>	<u>185,481</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	1,042,995	\$ <u>1,042,995</u>
Fund Balance - Beginning			<u>10,051,455</u>	
Fund Balance - Ending			\$ <u>11,094,450</u>	

Debt Service Fund

HARFORD COUNTY, MARYLAND
Beechtree Tax Increment Financing (TIF) Debt Service Fund
Schedule of Revenues, Expenditures, Encumbrances
And Changes In Fund Balances
Budget Basis (Non-GAAP) vs. Actual
For The Year Ended June 30, 2021

Exhibit E-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
REVENUES				
Taxes	\$ 1,130,000	\$ 1,130,000	\$ 1,803,280	\$ 673,280
Investment Income	35,000	35,000	1,289	(33,711)
Total Revenues	<u>1,165,000</u>	<u>1,165,000</u>	<u>1,804,569</u>	<u>639,569</u>
 EXPENDITURES				
Debt Service	<u>1,165,000</u>	<u>1,600,899</u>	<u>1,590,119</u>	<u>10,780</u>
Total Expenditures	<u>1,165,000</u>	<u>1,600,899</u>	<u>1,590,119</u>	<u>10,780</u>
 Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(435,899)</u>	<u>214,450</u>	<u>650,349</u>
 OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	-	-	477,685	477,685
Issuance of Refunding Bonds	-	14,252,488	11,365,000	(2,887,488)
Premium on Issuance of Bonds	-	-	1,759,454	1,759,454
Payment to Escrow Agent for Refunding Bonds	<u>-</u>	<u>(13,816,589)</u>	<u>(13,816,589)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>435,899</u>	<u>(214,450)</u>	<u>(650,349)</u>
 Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
 Less: Appropriated Fund Balance			(477,685)	
 Fund Balance - Beginning			<u>2,560,799</u>	
 Fund Balance - Ending			\$ <u><u>2,083,114</u></u>	

Capital Projects Fund

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2021

Exhibit F-1

	TOTAL		TOTAL		UNEXPENDED
	APPROPRIATIONS		EXPENDITURES		APPROPRIATIONS
General Government					
Reforestation Proceeds	\$ 680,000	\$	372,187	\$	307,813
Facilities Repair Program	34,012,301		28,164,272		5,848,029
County Facility System Security Access/Fuel Dispensing	1,415,000		854,715		560,285
Site Acquisition	25,607,761		19,723,758		5,884,003
Stormwater Enhancement	900,000		693,956		206,044
Sunnyview Stream Restoration	5,192,220		532,211		4,660,009
Courthouse Building Repairs	10,034,900		9,327,729		707,171
Reforestation Proceeds-Critical Area	100,000		63,879		36,121
Wheel Creek Watershed Restoration	7,189,607		6,355,702		833,905
Humane Society	7,050,000		6,155,403		894,597
Safeguarding Business Operations	18,025,400		14,667,276		3,358,124
Bynum Run at St Andrews Way Stream Restoration	2,297,026		1,839,630		457,396
Fleet Replacement	15,540,000		14,803,039		736,961
Refresh Program	3,603,478		3,164,945		438,533
Joppatowne Area Watershed Restoration	5,800,000		2,395,833		3,404,167
Plumtree Run Watershed Restoration	7,643,452		5,378,929		2,264,523
Sams Branch Watershed Restoration	3,772,922		1,917,740		1,855,182
Stormwater Pollution Prevention	1,331,395		1,220,411		110,984
HMAN (Harford County Metro Area Network)	16,280,000		15,442,958		837,042
Efficiency Capital Investment Projects	1,160,400		540,819		619,581
Lilly Run Watershed Restoration	725,000		86,445		638,555
Underground/Aboveground Storage Tank Management	1,144,000		697,385		446,615
Maintenance/Repair of Dams	2,505,000		612,474		1,892,526
MD 924 Small Area Corridor Plan	300,000		214,873		85,127
Riverside Area Watershed Restoration	3,585,886		297,178		3,288,708
Fleet Maintenance Facility	16,126,000		14,891,653		1,234,347
Harford County Agricultural Research and Exposition Center	2,800,000		1,738,992		1,061,008
County Owned Watershed Restoration Improvements	15,400,000		8,749,951		6,650,049
Watershed Restoration Assessment	8,500,000		4,547,789		3,952,211
Watershed Restoration Improvements	6,250,000		1,019,697		5,230,303
Watershed Restoration Maintenance	560,000		532,791		27,209
* Edgewood Library Roof Replacement	221,400		169,806		51,594
Harford Cable Network High Definition Upgrade	600,000		433,396		166,604
Abingdon Library Window Replacement	1,259,000		1,057,000		202,000
Board of Education-Debt Service FY20	23,216,000		23,216,000		-
Hazard/Flood Mitigation Service	500,000		-		500,000
1201 Technology Drive	2,000,000		27,865		1,972,135
Board of Education-Debt Service FY21	21,433,334		21,433,334		-
Lease Revenue-General	7,000,000		-		7,000,000
Maintenance/Repair of Dams	895,000		679,527		215,473

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2021

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
General Government (continued)			
Septic System Disconnection	500,000	499,799	201
County Owned Stormwater Management Rehabilitation and Repair	350,000	50,000	300,000
Upper Bynum Run Watershed Restoration Improvements	2,000,000	279,397	1,720,603
Middle Bynum run Watershed Restoration Improvements	1,450,000	-	1,450,000
Total General Government	286,956,482	214,850,744	72,105,738
Education			
* Fire Alarm/Emergency Communications	1,103,581	928,581	175,000
* Replacement Buses	11,683,038	11,506,835	176,203
* Athletic Fields Repair/Renovations	517,649	517,649	-
Aberdeen High School North/Center For Career Opportunity	665,000	567,053	97,947
* Backflow Prevention	439,509	339,509	100,000
Security Cameras	1,871,600	1,002,162	869,438
* Integrated Business Systems	392,126	392,126	-
Textbook Refresh (Math)	5,819,421	2,509,421	3,310,000
* ADA Improvements	762,815	562,815	200,000
* HVAC Major Repairs	6,560,187	5,460,187	1,100,000
Roofing Replacement	1,146,300	1,146,300	-
Youth's Benefit Elementary School	38,611,866	38,578,957	32,909
Relocatable Classrooms	1,066,000	203,592	862,408
Septic Pre-Treatment for Code Upgrade	2,167,926	842,513	1,325,413
Fallston High School HVAC Project	7,673,940	7,673,940	-
Havre de Grace High School Replacement	77,474,000	74,374,012	3,099,988
Joppatowne High School Systemic Project	15,440,000	13,266,509	2,173,491
* Music Equipment Refresh Program	47,524	47,524	-
* Playground Equipment	350,000	350,000	-
Security Initiative	640,000	640,000	-
* Darlington Elementary School Comprehensive HVAC	1,344,136	1,344,136	-
* North Harford Middle School Domestic Water Improvement	479,223	479,223	-
* Technology Infrastructure	4,848,231	4,848,231	-
Center for Educational Opportunity-Air Conditioning	2,200,000	2,175,733	24,267
Prospect Mill Elementary School HVAC	2,294,000	2,294,000	-
Technology Education Lab Refresh	226,648	204,308	22,340
* Riverside Elementary School HVAC Systemic Renovation	4,052,876	4,052,876	-
Bel Air Elementary HVAC Systemic Renovation and Open Space Enclosure	3,485,000	3,350,236	134,764
* North Harford High School Aquaculture Lab and Greenhouse	792,299	792,299	-
Swimming Pool Renovations	858,731	847,351	11,380
* Roof Replacement-North Harford Elementary School	444,342	444,342	-
* Fallston Chiller Replacement	371,906	371,906	-
Roof Replacement - Aberdeen Middle School	1,485,278	1,477,702	7,576

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2021

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Education (continued)			
George D Lisby HVAC Systemic Renovation	4,840,000	4,057,761	782,239
North Bend Elementary School Central Plant and Fire Alarm	1,054,500	940,870	113,630
Roof Replacement - Hickory Elementary School	1,467,250	755,615	711,635
Roye Williams HVAC Systemic Renovation	6,743,000	6,353,752	389,248
* Special Education Facilities Improvements	443,736	443,736	-
HCPS Facilities Repair Program	923,665	295,758	627,907
Educational Facility Program	1,945,671	936,265	1,009,406
Fleet Replacement	1,558,159	1,533,434	24,725
Life, Health, Safety and Compliance Measures	688,226	663	687,563
Roof Replacement-Bel Air Middle School	3,196,000	16,132	3,179,868
Technology Infrastructure	1,420,860	980,550	440,310
Athletic and Recreation Repair Improvements	471,507	330,079	141,428
Major HVAC	1,324,990	6,530	1,318,460
HCPS Facilities Master Plan	670,000	559,077	110,923
Total Education	224,062,716	200,802,250	23,260,466
Public Safety			
Computer Equipment/Networks	3,020,415	2,649,790	370,625
New Emergency Operations Center Complex	37,494,525	35,229,514	2,265,011
Public Safety Communication in School Buildings	750,000	683,865	66,135
Joppa Magnolia Fire Station Expansion	1,240,000	1,240,000	-
* TRT Equipment	160,000	160,000	-
Volunteer Fire Company Facility Repair	3,110,000	2,675,062	434,938
SCBA Replacement	2,125,000	1,762,226	362,774
Mobile/Portable Radio Upgrades	5,265,000	2,551,544	2,713,456
Whiteford Volunteer Fire Company-Renovation of Main Station	1,200,000	352,257	847,743
Aberdeen VFC Main Station Renovation	1,500,000	1,500,000	-
Multi-Agency Public Safety Mobile Command Center	1,800,000	404,720	1,395,280
Next Gen 911	6,735,000	5,808,533	926,467
HCSO Mobile Data Terminal Replacement	551,400	487,428	63,972
North County EMS Station	2,700,000	398,608	2,301,392
Riverside Fire and EMS Station	3,800,000	-	3,800,000
Total Public Safety	71,451,340	55,903,547	15,547,793
Community College			
New Allied Health and Nursing Building	7,891,000	7,891,000	-
Edgewood Hall Renovations	3,464,575	3,464,575	-
Fallston Hall Renovations	3,375,000	2,716,285	658,715
Chesapeake Welcome Center	2,747,425	452,580	2,294,845
Total Community College	17,478,000	14,524,440	2,953,560

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2021

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Library			
Jarrettsville Library	5,884,000	5,841,308	42,692
Whiteford Library Expansion	4,238,200	4,238,200	-
Darlington Feasibility Study	56,000	33,845	22,155
Havre de Grace Library Expansion	9,020,000	8,653,113	366,887
Technology	1,609,100	1,174,319	434,781
Total Library	20,807,300	19,940,785	866,515
Landfill			
* Tollgate Landfill Gas System	1,033,333	1,033,329	4
Harford County Waste Disposal Center Compost Area Facilities	525,000	49,088	475,912
Harford Waste Disposal Center Landfill Capping	9,570,000	7,977,097	1,592,903
* Former Spencers Landfill Closure	4,928,099	4,928,099	-
* Full Cost Accounting Study	235,040	235,040	-
Waste to Energy Facility Closure	8,163,753	3,140,497	5,023,256
HWDC Pavement Upgrades	800,000	800,000	-
Tollgate Yard Trim Recycling Center 15	475,081	246,763	228,318
Scarboro Landfill Groundwater Treatment Plant	250,000	23,014	226,986
Solid Waste Facilities Repair Program	2,000,000	585,183	1,414,817
* Environmental Studies and Projects	233,801	29,127	204,674
Environmental Studies	1,207,099	1,207,099	-
Total Landfill	29,421,206	20,254,336	9,166,870
Parks, Recreation and Natural Resources			
Churchville Complex Development	8,556,830	7,964,551	592,279
Heavenly Waters Park	2,120,000	1,130,139	989,861
Schucks Road Regional Sports Complex	8,110,415	6,038,784	2,071,631
Athletic Field Improvements	20,050,000	18,598,590	1,451,410
Indoor Recreation Facility	1,474,000	1,119,339	354,661
Tudor Hall Rehabilitation	610,000	434,999	175,001
Bleacher Renovations	490,000	155,697	334,303
Darlington Park Development	1,985,000	1,512,731	472,269
Mariner Point Park Renovations	736,000	425,569	310,431
Nuttall Avenue Park Development	650,000	101,025	548,975
Cedar Lane Sports Complex Improvements	2,461,000	1,321,542	1,139,458
Churchville Center Renovations	575,000	355,347	219,653
Eden Mill Park Rehabilitation	1,255,000	822,706	432,294
* Facility Renovations	1,205,000	920,265	284,735
* Natural Turf Improvements	1,290,000	880,231	409,769
Park Improvements	780,000	532,494	247,506
Park Land Acquisition	11,761,000	8,611,640	3,149,360

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2021

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Parks, Recreation and Natural Resources (continued)			
Playground Equipment	2,855,000	1,345,944	1,509,056
Anita C. Leight Center Improvements	1,005,000	575,239	429,761
Emmorton Rec and Tennis Center Improvements	1,785,000	1,416,447	368,553
Tennis/Multipurpose Courts	1,390,000	1,321,369	68,631
Equestrian Center Improvements	575,000	309,068	265,932
Backstop Renovations	270,000	23,941	246,059
Emily Bayless Graham Park	3,645,000	1,647,116	1,997,884
Gunpowder River Dredging	2,234,000	1,791,801	442,199
Parking Lot Paving	954,000	945,341	8,659
Rockfield Park Improvements	270,000	61,272	208,728
Trails and Linear Parks	17,200,000	4,406,273	12,793,727
Edgewood Rec and Community Center	225,000	47,844	177,156
Northern Regional Park	575,000	458,454	116,546
ADA Improvements	395,000	257,851	137,149
Debris-Derelict Boats	100,000	-	100,000
Disc Golf Course	50,000	46,791	3,209
Fallston Recreation Complex Improvements	325,000	324,999	1
Robert Copenhagen Park Improvements	300,000	276,364	23,636
SWM Pond Repair and Renovation	710,000	623,023	86,977
Enlarged Gymnasiums	1,200,000	1,200,000	-
Jarrettsville Recreation Center	710,775	305,034	405,741
Swan Harbor Farm Improvements	764,000	577,736	186,264
Canoe and Kayak Water Access	1,280,000	685,087	594,913
Flying Point Park Improvements	1,053,000	484,667	568,333
Francis Silver Park Improvements	425,000	190,530	234,470
Heavenly Waters Park-Soma	100,000	99,790	210
* Harford Center for the Arts	50,000	-	50,000
Demarco Memorial Park Improvements	40,000	-	40,000
Tollgate Woodshop	40,000	2,869	37,131
Bush River Dredging and DMP Site	990,000	990,000	-
Edgeley Grove Farm	140,000	21,563	118,437
Facility Renovations	459,000	301,876	157,124
Forest Hill Recreation Complex Improvements	800,000	-	800,000
Fox Meadows Park Improvements	450,000	213,129	236,871
Gymnasium Floor Repair and Renovation	210,000	43,335	166,665
Park Improvements	155,000	121,410	33,590
Edgewood Recreation Park	50,000	-	50,000
Rock Glenn Park	1,300,000	110,526	1,189,474
Dog Parl Construction and Improvements	90,000	47,172	42,828
Norrisville Park	125,000	103,282	21,718

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2021

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Parks, Recreation and Natural Resources (continued)			
Otter Point Creek Boat Launch	560,000	12,366	547,634
Mariner Point Park-DMP Site Remediation	100,000	99,575	425
Perryman Park Development	120,000	99,900	20,100
Total Parks, Recreation and Natural Resources	110,184,020	72,514,633	37,669,387
Highways-Roads			
Glen Elyn Culvert and Ponds Repair	392,500	392,500	-
Tollgate Road/West Ring Factory-Plumtree	7,423,439	5,746,476	1,676,963
Facilities Repair Program	1,327,000	1,085,897	241,103
Primrose Place	146,000	132,605	13,395
* Culvert Rehabilitation	4,730,000	4,729,999	1
Intersection Improvements	4,516,728	3,635,576	881,152
Village of Scot's Fancy-Starmount Lane	750,000	715,128	34,872
Shucks Road Improvements	1,043,368	737,697	305,671
Drainage Improvements	1,675,000	1,629,805	45,195
* Fuel Dispensing System Upgrade	950,000	949,273	727
Storm Drain Rehabilitation	1,891,231	1,882,585	8,646
Sidewalks and Handicapped Ramps	1,679,300	1,311,415	367,885
Traffic Calming and Road Safety Improvements	750,000	715,469	34,531
Safeguarding Business Operations	3,712,450	3,224,410	488,040
Fleet Replacement	16,142,000	15,948,650	193,350
700 MHZ Wireless Radio System Equipment	1,600,000	1,600,000	-
Efficiency Capital Investment Project	355,000	90,515	264,485
Guardrails Fiscal Year 2013	1,075,000	955,715	119,285
HMAN (Harford County Metro Area Network)	930,000	925,902	4,098
New Roads and Storm Drains	2,825,000	1,426,828	1,398,172
Refresh Program	740,500	532,698	207,802
* Resurfacing Roadways	6,661,509	6,661,509	-
Landis Circle-Foxborough Farm	350,000	255,377	94,623
Traffic Signals 15	409,601	6,160	403,441
Resurfacing Roadways	5,603,106	5,583,409	19,697
* Resurfacing Roadways	5,292,842	4,982,842	310,000
APG Gate Pilot	2,500,000	2,105,686	394,314
* Resurfacing Roadways	5,002,435	5,002,435	-
Resurfacing Roadways	30,697,870	20,858,057	9,839,813
Fleet Maintenance Facility	7,246,000	5,087,753	2,158,247
Spesutia Road Reconstruction/Upgrade	5,750,000	436,558	5,313,442
Salt Dome	50,000	-	50,000
Trimble Road (Joppa Road to Garnett Road)	25,000	-	25,000
Woodley Road Extension to MD 715	2,250,000	1,182,301	1,067,699

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2021

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Highways-Roads (continued)			
Lease Revenue-Highways	1,000,000	-	1,000,000
Washington Court Access Road	2,150,000	51,554	2,098,446
Moores Mill Road	10,363,088	9,476,778	886,310
Total Roads	140,005,967	110,059,562	29,946,405
Highways-Bridges			
Bridge Inspection Program	3,640,000	3,640,000	-
Bridge Rehabilitation	5,350,000	2,961,966	2,388,034
Road and Bridge Scour Repairs	1,975,000	1,712,705	262,295
* Snake Lane Bridge #31	1,077,917	1,077,917	-
* Carrs Mill Road Bridge	2,502,723	2,199,488	303,235
* Glen Cove Road Bridge #156	959,752	959,752	-
Robinson Mill Road Bridge #154	2,115,000	1,914,037	200,963
Abingdon Road Bridge #169 Over CSX	1,830,000	757,062	1,072,938
Chestnut Hill Bridge #40	2,065,000	1,693,023	371,977
Phillips Mill Road Bridge #70	3,550,000	2,961,393	588,607
Bridge Rehabilitation	5,216,381	4,463,622	752,759
* Green Road Bridge #122	1,015,449	1,015,449	-
Bridge Painting	500,000	489,508	10,492
Fawn Grove Road Bridge #132	10,000	5,467	4,533
* New Park Road Bridge #125	1,022,726	1,022,725	1
Stafford Road Bridge	3,405,000	450,269	2,954,731
Glenville Road Bridge #30	410,000	86,341	323,659
Johnson Mill Road Bridge #45	1,450,000	218,824	1,231,176
Bridge Inspection Program	1,500,000	1,148,966	351,034
* Pleasantville Road Bridge #60	225,000	225,000	-
Bridge Inspection Program-Under 20' Spans	350,000	111,427	238,573
Grier Nursery Road Bridge #43	500,000	194,675	305,325
Hookers Mill Road Bridge #13	500,000	10,316	489,684
Boggs Road Bridge #66	250,000	250,000	-
Deep Run Road Bridge #152	250,000	242,670	7,330
Glen Cove Road Bridge #155	1,075,912	85,250	990,662
Madonna Road Bridge #113	500,000	1,424	498,576
Structural Evaluation	520,000	406,910	113,090
Total Bridges	43,765,860	30,306,186	13,459,674
Total Highways	183,771,827	140,365,748	43,406,079
Total Capital Projects	944,132,891	739,156,483	204,976,408
*Less Closed Projects	(73,430,204)	(70,064,261)	(3,365,943)
Total Open Capital Projects	\$ 870,702,687	\$ 669,092,222	\$ 201,610,465

Enterprise Fund

HARFORD COUNTY, MARYLAND
Water and Sewer Enterprise Fund
Schedule of Capital Projects, Appropriations, and Expenditures
For the Year Ended June 30, 2021

Exhibit G-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Sewer Projects			
Bush Creek Pump Station 4th Pump	\$ 28,400,000	\$ 26,117,070	\$ 2,282,930
Utility Protection/Restoration	1,300,000	215,880	1,084,120
* Infiltration & Inflow	1,374,433	1,374,433	-
Bynum Run Parallel Phase 6 & 7	9,120,324	7,618,845	1,501,479
Edgewood Interceptor Sewer Parallel	650,000	181,806	468,194
Infiltration & Inflow	550,000	318,293	231,707
Sod Run Facility Improvements	8,100,000	2,001,140	6,098,860
Renewal and Replacement - Sewer	1,450,000	757,499	692,501
Bill Bass Pump Station Forcemain Replacement	900,384	413,551	486,833
Oaklyn Manor/Joppa Area Sewer Relief	1,950,300	1,464,291	486,009
Town Center Drive Pump Station	810,567	558,622	251,945
Bynum Ridge Sewer Replacement	800,000	639,972	160,028
Bio Solids Facilities Enhancements	11,500,000	5,436,247	6,063,753
Fallston Sanitation Sub-District Sewer Capacity Study	300,000	206,889	93,111
Brentwood Park Pumping Station Improvements	1,950,000	182,870	1,767,130
Delta Wastewater Treatment Plan Upgrades	225,000	5,884	219,116
Inventory Storage Control and Improvements	385,000	98,260	286,740
Pumping Station Improvements	565,000	96,425	468,575
Sod Run Wastewater Treatment Plant Ultraviolet Disinfection Project	4,200,000	137,801	4,062,199
Fallston Area Sewer	3,800,000	-	3,800,000
Freys Road Sewer Petition	1,275,000	-	1,275,000
Hickory Sewer Infrastructure Improvement Project	3,000,000	-	3,000,000
Magnolia Sewer Petition	689,500	9,862	679,638
Woodridge Sewer Petition	4,020,300	-	4,020,300
Future petition Projects	375,000	-	375,000
Total Sewer Projects	87,690,808	47,835,640	39,855,168
Water Projects			
Abingdon Road Water Main Parallel	3,300,000	271,540	3,028,460
Magnolia Booster Station	1,550,000	188,621	1,361,379
City of Baltimore Deer Creek Pump Station	3,700,000	3,101,041	598,959
City of Baltimore Raw Water Supply	3,300,000	1,221,539	2,078,461
Renewal and Replacement Water	2,000,000	715,499	1,284,501
Water Meter Upgrade	1,960,000	1,570,147	389,853
Water Zone Improvements	1,030,000	334,502	695,498
Replacement of Water Booster Station	2,250,000	242,014	2,007,986
Water Construction Unanticipated	660,000	220,442	439,558
U.S. 40 and Rt. 159 SHA Water Relocation	3,900,000	3,256,330	643,670
* Tank Painting FY16	700,000	697,339	2,661

HARFORD COUNTY, MARYLAND
Water and Sewer Enterprise Fund
Schedule of Capital Projects, Appropriations, and Expenditures
For the Year Ended June 30, 2021
(continued)

Exhibit G-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Water Projects (continued)			
Water System Model Study	300,000	298,814	1,186
Tank Painting FY17	300,000	270,671	29,329
Infrastructure Management	425,000	348,095	76,905
Perryman GAC Plant Improvements	1,000,000	90,034	909,966
Perryman Wellfield Improvement	350,000	-	350,000
Abingdon Water Treatment Plant PH Control System	2,750,000	68,081	2,681,919
Havre de Grace Water Treatment Plant Upgrade	1,150,000	17,963	1,132,037
SCADA Information Management Systems	1,200,000	8,076	1,191,924
U.S. 40 Water Main Replacement	200,000	-	200,000
Water and Sewer Infrastructure Improvement Project	2,100,000	192,857	1,907,143
Water Tank Design and Construction	300,000	132,663	167,337
Abingdon Water Treatment Plant Switch Gear/Generator	1,650,000	78,217	1,571,783
Central W&S Laboratory	85,000	84,144	856
Oak Grove Booster Station	330,000	-	330,000
Water and Sewer Facilities Repair Program	500,000	118,890	381,110
Total Water Projects	36,990,000	13,527,519	23,462,481
Other Projects			
Safeguarding Business Operations	3,916,650	3,407,605	509,045
Fleet Replacement	6,922,000	6,108,807	813,193
700 MHZ Wireless Radio System Equipment	649,000	607,660	41,340
HMAN (Harford County Metro Area Network)	1,220,000	1,155,784	64,216
Refresh Program	767,000	554,118	212,882
Fuel Dispensing System Upgrade	120,000	120,000	-
Underground and Aboveground Storage Tank Management	50,000	3,425	46,575
Water and Sewer Billing Project	2,500,000	437,266	2,062,734
Efficiency Capital Investment Project	430,000	233,192	196,808
Fleet Maintenance Facility	1,420,000	752,518	667,482
MDTA I-95 Improvements	250,000	34,066	215,934
Lease Revenue-Water and Sewer	1,000,000	-	1,000,000
Total Other Projects	19,244,650	13,414,441	5,830,209
Total Water, Sewer and Other Projects	143,925,458	74,777,600	69,147,858
*Less Closed Projects	(2,074,433)	(2,071,772)	(2,661)
Total Open Water, Sewer and Other Projects	\$ 141,851,025	\$ 72,705,828	\$ 69,145,197

EDEN MILLING CO. C.1798



Tic-Tac
Toe



STATISTICAL SECTION



Statistical Section

(Unaudited)

This part of the Harford County's annual comprehensive financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited by the independent Certified Public Accountants.

Financial Trends

Tables 1 through 5 contain trend information that may assist the reader in assessing the County's current financial performance by placing it in historical perspective.

Revenue Capacity

Tables 6 through 9 contain information that may assist the reader in assessing the viability of the County's most significant local revenue source, property taxes.

Debt Capacity

Tables 10 through 13 present information that may assist the reader in analyzing the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Economic & Demographic Information

Tables 14 and 15 offer economic and demographic indicators that may assist the reader in understanding the environment within which the County's financial activities take place.

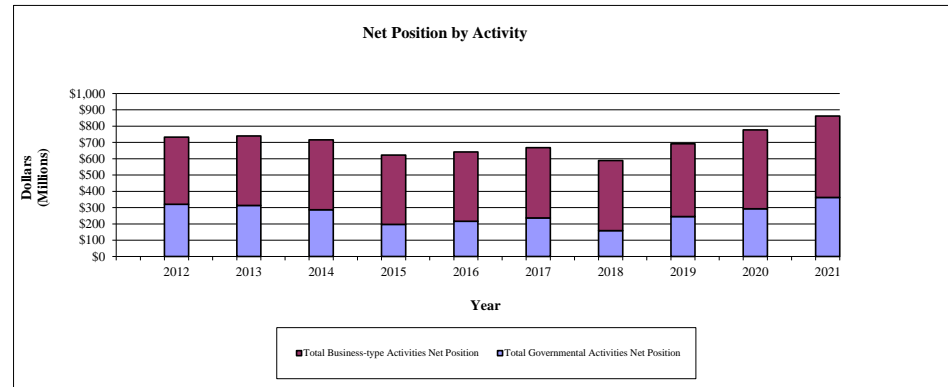
Operating Information

Tables 16 through 18 contain service and infrastructure indicators that may assist the reader in understanding how the information in the County's financial statements relates to the services the County provides and the activities it performs.

HARFORD COUNTY, MARYLAND
Net Position by Component (accrual basis of accounting)
Last Ten Fiscal Years

Table 1

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 434,233,561	\$ 449,378,060	\$ 436,216,089	\$ 435,846,522	\$ 476,366,433	\$ 475,161,617	\$ 518,637,112	\$ 536,321,847	\$ 502,458,772	\$ 527,529,038
Restricted	93,748,598	78,915,495	75,653,146	78,466,405	20,723,517	23,188,672	45,781,073	43,733,915	20,419,279	32,732,079
Unrestricted	(207,432,487)	(214,931,280)	(225,213,903)	(316,918,125)	(281,260,299)	(261,309,571)	(406,129,081)	(335,175,382)	(230,189,207)	(198,052,430)
Total Governmental Activities Net Position	\$ 320,549,672	\$ 313,362,275	\$ 286,655,332	\$ 197,394,802	\$ 215,829,651	\$ 237,040,718	\$ 158,289,104	\$ 244,880,380	\$ 292,688,844	\$ 362,208,687
Business-Type Activities										
Net Investment in Capital Assets	\$ 303,842,266	\$ 322,126,658	\$ 332,396,851	\$ 326,999,832	\$ 323,409,167	\$ 328,352,334	\$ 325,690,256	\$ 318,187,398	\$ 318,681,176	\$ 325,839,113
Restricted	64,575,609	49,704,209	51,921,308	54,279,937	56,778,013	60,809,692	63,302,643	72,830,464	80,305,995	122,676,261
Unrestricted	43,793,494	54,123,993	45,045,731	44,029,559	45,800,630	42,132,588	41,333,047	55,746,557	85,124,781	51,500,229
Total Business-type Activities Net Position	\$ 412,211,369	\$ 425,954,860	\$ 429,363,890	\$ 425,309,328	\$ 425,987,810	\$ 431,294,614	\$ 430,325,946	\$ 446,764,419	\$ 484,111,952	\$ 500,015,603
Primary Government										
Net Investment in Capital Assets	\$ 738,075,827	\$ 771,504,718	\$ 768,612,940	\$ 762,846,354	\$ 799,775,600	\$ 803,513,951	\$ 844,327,368	\$ 854,509,245	\$ 821,139,948	\$ 853,368,151
Restricted	158,324,207	128,619,704	127,574,454	132,746,342	77,501,530	83,998,364	109,083,716	116,564,379	100,725,274	155,408,340
Unrestricted	(163,638,993)	(160,807,287)	(180,168,172)	(272,888,566)	(235,459,669)	(219,176,983)	(364,796,034)	(279,428,825)	(145,064,426)	(146,552,201)
Total Primary Government Net Position	\$ 732,761,041	\$ 739,317,135	\$ 716,019,222	\$ 622,704,130	\$ 641,817,461	\$ 668,335,332	\$ 588,615,050	\$ 691,644,799	\$ 776,800,796	\$ 862,224,290



HARFORD COUNTY, MARYLAND
Changes in Net Position (accrual basis of accounting)
Last Ten Fiscal Years

Table 2

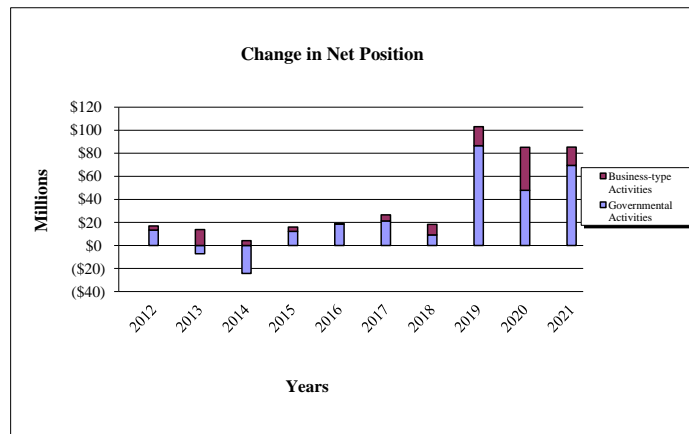
Expenses (by function)	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<i>Governmental Activities</i>										
Agricultural Preservation	\$ 3,432,517	\$ 3,601,838	\$ 3,398,295	\$ 3,636,451	\$ 2,861,659	\$ 3,163,287	\$ 3,283,221	\$ 4,098,178	\$ 2,954,760	\$ 4,212,983
County Council	2,597,248	2,763,150	2,536,764	2,529,133	2,576,827	2,695,411	2,682,783	2,959,753	3,027,207	3,197,307
General Government	43,655,212	46,041,421	55,642,498	58,237,782	58,699,069	49,217,926	47,956,372	51,764,330	49,203,101	63,458,317
Education-Primary thru Com. College	256,361,884	248,045,564	250,907,788	256,219,860	269,123,661	268,713,217	273,561,170	286,146,378	322,449,454	338,437,277
Harford Center	553,036	553,036	553,036	553,036	693,036	553,036	553,036	578,036	588,303	604,012
Judicial	9,666,237	9,950,169	9,982,512	10,059,178	10,213,119	10,404,012	10,316,937	11,026,051	11,697,735	11,611,499
Libraries	17,359,356	17,314,092	17,271,606	17,697,885	18,122,008	18,289,122	18,330,481	18,725,244	19,082,017	19,529,037
Parks, Recreation and Natural Resources	14,416,981	15,697,516	17,520,868	17,895,586	14,552,707	14,993,728	15,647,175	16,387,902	15,564,649	17,249,265
Public Safety	95,202,878	106,668,221	105,436,479	107,574,608	107,308,307	108,223,495	110,658,836	120,571,842	127,274,285	149,305,039
Public Works	61,916,296	60,279,965	77,195,654	68,092,544	60,737,012	58,629,180	67,707,510	74,092,972	78,146,898	75,572,285
Social Services	28,365,201	28,769,204	26,384,324	26,622,115	25,633,629	27,050,519	27,334,522	28,005,721	31,411,699	46,678,435
Unallocated Debt Interest/Other Costs	18,871,700	14,273,378	17,409,320	13,830,034	17,152,250	17,557,592	17,791,039	17,143,826	15,355,774	14,822,989
Total Governmental Activities	552,398,546	553,957,554	584,239,144	582,948,212	587,673,284	579,490,525	595,823,082	631,500,233	676,755,882	744,678,445
<i>Business-type Activities</i>										
Water and Sewer	42,953,467	50,101,124	48,734,923	48,746,983	48,596,655	51,194,393	52,524,992	54,570,952	53,328,579	55,031,706
Total Business-type Activities	42,953,467	50,101,124	48,734,923	48,746,983	48,596,655	51,194,393	52,524,992	54,570,952	53,328,579	55,031,706
Total Primary Government Expenses	\$ 595,352,013	\$ 604,058,678	\$ 632,974,067	\$ 631,695,195	\$ 636,269,939	\$ 630,684,918	\$ 648,348,074	\$ 686,071,185	\$ 730,084,461	\$ 799,710,151
<i>Program Revenues</i>										
<i>Governmental Activities</i>										
Charges for Services										
General Government	\$ 2,662,846	\$ 2,778,718	\$ 2,478,640	\$ 3,300,921	\$ 3,091,390	\$ 3,271,301	\$ 3,215,494	\$ 3,353,468	\$ 3,300,698	\$ 3,016,025
Public Safety	3,978,388	3,701,079	3,889,979	4,177,039	3,765,058	4,043,488	4,446,967	4,882,188	4,808,381	4,387,822
Public Works	14,151,371	13,570,360	13,843,482	14,594,676	13,278,342	10,755,836	12,058,668	12,070,856	12,753,003	13,209,454
Other Activities	1,511,258	1,553,179	1,456,139	1,385,467	1,396,543	1,346,446	1,988,880	1,629,725	1,203,047	653,516
Operating Grants and Contributions	25,216,324	30,926,766	21,717,403	26,680,817	28,249,534	27,728,929	29,056,647	28,177,980	43,427,802	74,839,796
Capital Grants and Contributions	10,270,108	11,878,363	9,982,404	15,281,180	15,137,454	5,009,162	10,248,005	5,176,268	7,714,585	13,990,259
Total Governmental Activities Program Revenue	57,790,295	64,408,465	53,368,047	65,420,100	64,918,321	52,155,162	61,014,661	55,290,485	73,207,516	110,096,872
<i>Business-type Activities</i>										
Charges for Services	25,658,671	26,179,225	28,421,736	28,553,733	30,498,568	38,001,859	42,795,716	45,897,888	48,134,482	50,307,823
Operating Grants and Contributions	704,699	648,672	444,149	461,364	972,710	802,598	804,406	330,000	445,651	330,000
Capital Grants and Contributions	16,181,330	32,698,896	20,089,299	19,125,274	15,668,948	15,444,188	15,378,940	20,665,666	38,343,861	18,236,943
Total Business-type Activities Program Revenue	42,544,700	59,526,793	48,955,184	48,140,371	47,140,226	54,248,645	58,979,062	66,893,554	86,923,994	68,874,766
Total Primary Government Program Revenues	\$ 100,334,995	\$ 123,935,258	\$ 102,323,231	\$ 113,560,471	\$ 112,058,547	\$ 106,403,807	\$ 119,993,723	\$ 122,184,039	\$ 160,131,510	\$ 178,971,638
Net (Expense) Revenue										
<i>Governmental Activities</i>	\$ (494,608,251)	\$ (489,549,089)	\$ (530,871,097)	\$ (517,528,112)	\$ (522,754,963)	\$ (527,335,363)	\$ (534,808,421)	\$ (576,209,748)	\$ (603,548,366)	\$ (634,581,573)
<i>Business-type Activities</i>	(408,767)	9,425,669	220,261	(606,612)	(1,456,429)	3,054,252	6,454,070	12,322,602	33,595,415	13,843,060
Total Primary Government Net Expense	\$ (495,017,018)	\$ (480,123,420)	\$ (530,650,836)	\$ (518,134,724)	\$ (524,211,392)	\$ (524,281,111)	\$ (528,354,351)	\$ (563,887,146)	\$ (569,952,951)	\$ (620,738,513)

(continued)

HARFORD COUNTY, MARYLAND
Changes in Net Position (accrual basis of accounting)
Last Ten Fiscal Years
(continued)

Table 2

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
<i>Governmental Activities</i>										
Taxes										
Property Taxes	\$ 295,910,417	\$ 286,926,355	\$ 285,269,614	\$ 286,911,796	\$ 293,100,653	\$ 298,947,432	\$ 308,709,856	\$ 314,832,396	\$ 322,655,230	\$ 335,112,342
Income Taxes	182,590,526	169,703,257	190,722,550	206,469,855	207,466,492	211,253,182	233,759,923	252,411,277	272,032,442	310,540,686
Other Taxes	22,791,891	24,124,916	26,539,923	32,548,932	35,984,933	37,046,438	42,346,246	39,864,944	47,485,491	56,076,581
Investment Earnings	5,607,895	(520,840)	1,532,992	1,771,885	3,261,278	206,364	2,788,417	8,011,491	7,329,035	(1,146,492)
Grants and Contributions	189,543	239,369	269,076	254,020	245,326	407,167	440,319	360,549	383,055	403,251
Miscellaneous	810,088	1,888,635	2,231,878	1,849,327	1,131,130	685,847	1,759,295	1,452,312	1,471,577	3,115,048
Total Governmental Activities	507,900,360	482,361,692	506,566,033	529,805,815	541,189,812	548,546,430	589,804,056	616,932,969	651,356,830	704,101,416
<i>Business-type Activities</i>										
Recordation Tax	1,514,835	1,783,159	1,767,810	2,174,467	-	-	-	-	-	-
Investment Earnings	2,452,379	2,534,663	2,225,142	2,155,375	2,134,911	2,252,552	2,803,118	4,115,871	3,585,552	1,658,121
Miscellaneous	-	-	-	-	-	-	-	-	166,566	402,470
Total Business-type Activities	3,967,214	4,317,822	3,992,952	4,329,842	2,134,911	2,252,552	2,803,118	4,115,871	3,752,118	2,060,591
Total Primary Government	<u>\$ 511,867,574</u>	<u>\$ 486,679,514</u>	<u>\$ 510,558,985</u>	<u>\$ 534,135,657</u>	<u>\$ 543,324,723</u>	<u>\$ 550,798,982</u>	<u>\$ 592,607,174</u>	<u>\$ 621,048,840</u>	<u>\$ 655,108,948</u>	<u>\$ 706,162,007</u>
Special Item										
<i>Governmental Activities</i>										
Claims & Judgements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,868,055)	\$ 45,868,055	\$ -	\$ -
Total Primary Government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,868,055)</u>	<u>\$ 45,868,055</u>	<u>\$ -</u>	<u>\$ -</u>
Change in Net Position										
<i>Governmental Activities</i>	\$ 13,292,109	\$ (7,187,397)	\$ (24,305,064)	\$ 12,277,703	\$ 18,434,849	\$ 21,211,067	\$ 9,127,580	\$ 86,591,276	\$ 47,808,464	\$ 69,519,843
<i>Business-type Activities</i>	3,558,447	13,743,491	4,213,213	3,723,230	678,482	5,306,804	9,257,188	16,438,473	37,347,533	15,903,651
Total Primary Government	<u>\$ 16,850,556</u>	<u>\$ 6,556,094</u>	<u>\$ (20,091,851)</u>	<u>\$ 16,000,933</u>	<u>\$ 19,113,331</u>	<u>\$ 26,517,871</u>	<u>\$ 18,384,768</u>	<u>\$ 103,029,749</u>	<u>\$ 85,155,997</u>	<u>\$ 85,423,494</u>



HARFORD COUNTY, MARYLAND
Fund Balances, Governmental Funds (modified accrual basis of accounting)
Last Ten Fiscal Years

Table 3

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 879,441	\$ 843,748	\$ 1,199,545	\$ 594,147	\$ 175,875	\$ 1,170,244	\$ 1,056,216	\$ 1,000,515	\$ 944,814	\$ 889,113
Restricted	2,553,465	3,587,146	4,618,253	6,304,181	6,313,475	7,094,836	7,510,819	6,000,366	4,795,614	7,460,794
Assigned	77,333,983	77,951,284	58,554,927	55,102,808	62,737,637	74,261,284	86,888,856	108,491,361	114,534,573	155,113,170
Unassigned	17,942,179	6,933,118	8,415,752	10,144,451	12,694,506	18,615,902	20,036,290	20,226,958	27,246,245	20,553,685
Total General Fund	<u>98,709,068</u>	<u>89,315,296</u>	<u>72,788,477</u>	<u>72,145,587</u>	<u>81,921,493</u>	<u>101,142,266</u>	<u>115,492,181</u>	<u>135,719,200</u>	<u>147,521,246</u>	<u>184,016,762</u>
All Other Governmental Funds										
Nonspendable	2,156,375	2,053,471	1,519,258	2,053,832	3,211,701	3,258,105	2,186,274	1,901,630	1,472,180	1,359,855
Restricted	34,544,552	33,991,534	18,150,339	18,408,208	14,410,042	16,093,836	38,270,254	37,733,549	15,623,665	25,271,285
Committed	51,212,976	48,873,277	48,625,100	49,265,285	44,793,964	37,090,908	-	-	-	-
Assigned	56,371,959	60,928,100	56,929,645	45,333,726	27,865,962	61,985,231	85,560,011	81,184,677	86,240,359	84,306,730
Unassigned (deficits)	-	-	-	-	-	-	-	-	-	(4,185,151)
Total All Other Governmental Funds	<u>144,285,862</u>	<u>145,846,382</u>	<u>125,224,342</u>	<u>115,061,051</u>	<u>90,281,669</u>	<u>118,428,080</u>	<u>126,016,539</u>	<u>120,819,856</u>	<u>103,336,204</u>	<u>106,752,719</u>
Total Fund Balance	<u>\$ 242,994,930</u>	<u>\$ 235,161,678</u>	<u>\$ 198,012,819</u>	<u>\$ 187,206,638</u>	<u>\$ 172,203,162</u>	<u>\$ 219,570,346</u>	<u>\$ 241,508,720</u>	<u>\$ 256,539,056</u>	<u>\$ 250,857,450</u>	<u>\$ 290,769,481</u>

HARFORD COUNTY, MARYLAND
Changes in Fund Balances, Governmental Funds (modified accrual basis of accounting)
Last Ten Fiscal Years

Table 4

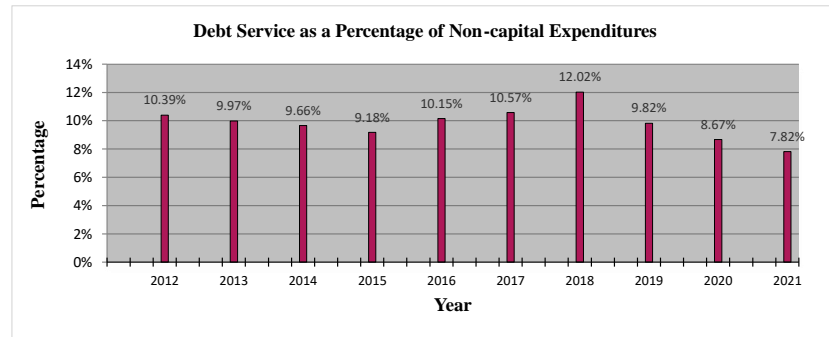
	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Taxes	\$ 496,535,537	\$ 495,330,898	\$ 501,523,551	\$ 513,835,241	\$ 534,559,224	\$ 548,777,295	\$ 569,724,966	\$ 596,226,344	\$ 614,696,959	\$ 683,284,499
Revenues from Other Agencies	29,749,668	33,686,277	29,595,350	33,802,477	34,278,746	30,247,886	34,464,443	31,698,332	45,538,640	82,907,192
Investment Income	5,581,671	(542,222)	1,503,056	1,732,563	3,209,914	134,002	2,644,802	7,835,240	7,178,248	(1,166,031)
Charges for Current Services	18,136,842	17,374,063	17,832,577	18,516,176	17,061,200	14,514,597	16,684,953	16,960,933	17,052,958	16,424,309
Miscellaneous	2,478,915	3,534,451	2,776,961	5,254,065	4,443,489	4,595,136	2,511,523	2,207,965	2,533,831	3,915,326
Licenses and Permits	3,602,640	3,637,218	3,939,672	4,637,143	4,539,298	4,567,960	4,494,635	4,634,873	4,586,479	4,469,107
Fines and Forfeitures	340,840	383,513	427,730	397,330	150,677	272,392	398,120	407,830	424,734	505,931
Total Revenues	556,426,113	553,404,198	557,598,897	578,174,995	598,242,548	603,109,268	630,923,442	659,971,517	692,011,849	790,340,333
EXPENDITURES										
Agricultural Preservation	7,417,674	2,486,811	249,145	3,742,534	36,513	3,041,950	1,426,023	16,339,682	6,253,646	3,601,653
County Council	2,495,986	2,750,755	2,554,700	2,528,328	2,472,194	2,575,440	2,655,247	2,979,879	3,092,208	3,097,635
General Government	39,610,270	37,250,164	41,960,700	47,122,698	43,933,540	42,769,500	46,232,647	47,820,246	50,933,688	59,905,566
Education-Primary thru Comm. College	232,933,767	234,782,980	236,262,341	238,628,914	243,470,583	249,096,116	255,127,257	262,627,257	273,613,489	294,475,709
Harford Center	553,036	553,036	553,036	553,036	693,036	553,036	553,036	578,036	588,303	604,012
Judicial	9,596,365	9,856,080	9,929,303	10,096,464	9,829,912	9,965,708	10,435,856	11,042,668	11,839,228	11,324,378
Libraries	15,692,144	16,054,666	16,158,310	16,137,189	16,279,546	16,644,574	17,100,985	17,472,912	17,804,908	18,339,690
Parks, Recreation and Natural Resources	10,853,176	11,626,440	11,970,808	11,470,033	10,222,943	9,787,552	10,234,014	10,758,514	10,656,415	10,622,282
Public Safety	91,778,607	98,418,762	98,702,584	97,415,839	95,370,670	98,209,883	102,781,583	111,051,742	119,396,104	136,945,051
Public Works	38,448,739	40,468,362	44,625,171	49,563,413	46,629,351	41,618,105	47,579,451	50,693,679	54,516,432	56,694,233
Social Services	27,337,422	31,740,859	26,067,117	25,848,168	24,557,522	25,995,605	26,677,093	27,532,864	32,245,767	46,353,800
Capital Outlay	61,703,327	53,425,443	84,079,924	79,055,063	86,949,927	50,277,858	59,164,429	68,123,819	98,722,790	106,627,566
Debt Service										
Principal	35,109,464	33,879,261	33,888,884	32,889,398	40,680,548	41,161,399	53,416,848	42,767,522	40,197,715	41,093,065
Interest	23,498,877	22,590,163	22,609,092	22,689,162	21,792,602	21,837,513	22,010,012	21,309,280	20,980,502	18,168,306
Administrative Cost	642,797	586,418	287,423	729,415	284,018	649,068	412,624	547,687	1,052,247	846,468
Total Expenditures	597,671,651	596,470,200	629,898,538	638,469,654	643,202,905	614,183,307	655,807,105	691,645,787	741,893,442	808,699,414
Excess (Deficiency) of Revenues Over Expenditures	(41,245,538)	(43,066,002)	(72,299,641)	(60,294,659)	(44,960,357)	(11,074,039)	(24,883,663)	(31,674,270)	(49,881,593)	(18,359,081)
OTHER FINANCING SOURCES (USES)										
Transfers In	36,423,583	55,519,578	44,180,743	31,746,904	36,406,830	37,226,572	43,652,436	48,573,812	49,835,922	48,836,779
Transfers (Out)	(36,423,583)	(55,519,578)	(44,180,743)	(31,746,904)	(36,406,830)	(37,226,572)	(43,652,436)	(48,573,812)	(49,835,922)	(48,836,779)
Issuance of Bonds	40,000,000	30,000,000	33,180,257	42,000,000	27,132,515	53,177,000	43,000,000	34,000,000	37,000,000	52,215,000
Issuance of Refunding Bonds	6,931,393	59,750,398	-	55,994,243	-	-	-	-	64,986,408	11,365,000
Premium on Issuance of Bonds	2,347,926	13,638,004	2,373,456	12,245,541	2,576,851	3,505,932	3,885,771	3,557,012	17,549,590	8,147,751
Issuance of Installment Purchase Agreements	6,995,127	2,013,095	-	3,097,591	-	1,809,630	-	9,432,238	3,119,179	472,275
Payment to Escrow Agent for Refunding	(7,313,825)	(70,065,844)	-	(64,383,471)	-	-	-	-	(78,025,740)	(13,816,589)
Total Other Financing Sources(Uses)	48,960,621	35,335,653	35,553,713	48,953,904	29,709,366	58,492,562	46,885,771	46,989,250	44,629,437	58,383,437
Net Change in Fund Balances	\$ 7,715,083	\$ (7,730,349)	\$ (36,745,928)	\$ (11,340,755)	\$ (15,250,991)	\$ 47,418,523	\$ 22,002,108	\$ 15,314,980	\$ (5,252,156)	\$ 40,024,356

HARFORD COUNTY, MARYLAND
Debt Service as a Percentage of Non-Capital Expenditures - Governmental Funds
Last Ten Fiscal Years

Table 5

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Expenditures	\$ 597,671,651	\$ 596,470,200	\$ 629,898,538	\$ 638,469,654	\$ 643,202,905	\$ 614,183,307	\$ 655,807,105	\$ 691,645,787	\$ 741,893,442	\$ 808,699,414
⁽¹⁾ Less Capital Asset Expenditures	33,395,752	30,214,888	44,998,619	33,065,591	27,450,364	18,448,670	28,237,893	39,419,413	36,565,782	50,612,324
Non-capital Expenditures	<u>\$ 564,275,899</u>	<u>\$ 566,255,312</u>	<u>\$ 584,899,919</u>	<u>\$ 605,404,063</u>	<u>\$ 615,752,541</u>	<u>\$ 595,734,637</u>	<u>\$ 627,569,212</u>	<u>\$ 652,226,374</u>	<u>\$ 705,327,660</u>	<u>\$ 758,087,090</u>
Debt Service Expenditures										
Principal	\$ 35,109,464	\$ 33,879,261	\$ 33,888,884	\$ 32,889,398	\$ 40,680,548	\$ 41,161,399	\$ 53,416,848	\$ 42,767,522	\$ 40,197,715	\$ 41,093,065
Interest	23,498,877	22,590,163	22,609,092	22,689,162	21,792,602	21,837,513	22,010,012	21,309,280	20,980,502	18,168,306
Total Debt Service Expenditures	<u>\$ 58,608,341</u>	<u>\$ 56,469,424</u>	<u>\$ 56,497,976</u>	<u>\$ 55,578,560</u>	<u>\$ 62,473,150</u>	<u>\$ 62,998,912</u>	<u>\$ 75,426,860</u>	<u>\$ 64,076,802</u>	<u>\$ 61,178,217</u>	<u>\$ 59,261,371</u>
 Debt Service as a Percentage of Non-capital Expenditures	 <u>10.39%</u>	 <u>9.97%</u>	 <u>9.66%</u>	 <u>9.18%</u>	 <u>10.15%</u>	 <u>10.57%</u>	 <u>12.02%</u>	 <u>9.82%</u>	 <u>8.67%</u>	 <u>7.82%</u>

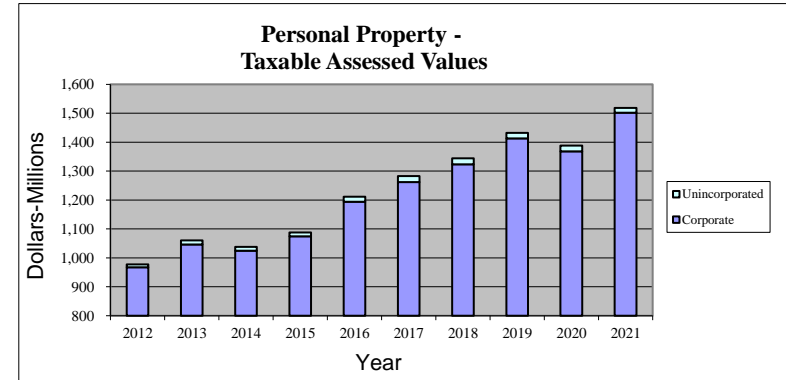
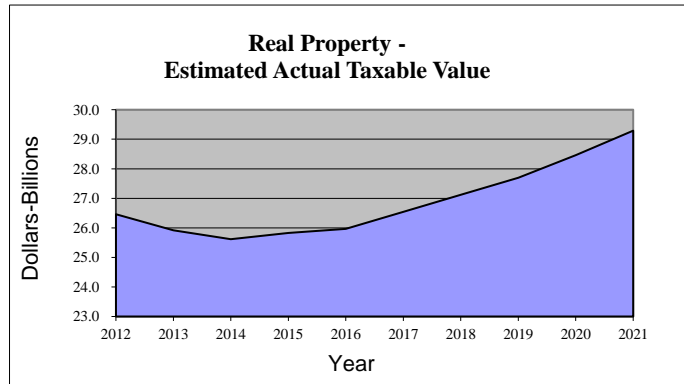
(1) Total Capital Asset Expenditures equals the Purchase of Capital Assets in that fiscal year.



HARFORD COUNTY, MARYLAND
Assessed Value and Actual Value of Taxable Property ⁽¹⁾
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

Table 6

Fiscal Year Ending June 30,	Real Property				Personal Property			Total
	Assessed Value	Exempt Property	Taxable Assessed Value	Real Property Direct Tax Rate	Corporate Taxable Assessed Value	Unincorporated Taxable Assessed Value	Personal Property Direct Tax Rate	Taxable Assessed Value
2012	\$ 28,999,153,255	\$ 2,535,432,934	\$ 26,463,720,321	1.0420	\$ 967,854,980	\$ 9,828,620	2.6050	\$ 27,441,403,921
2013	28,565,045,698	2,644,365,574	25,920,680,124	1.0420	1,046,509,272	13,921,700	2.6050	26,981,111,096
2014	28,304,103,554	2,691,553,831	25,612,549,723	1.0420	1,025,199,440	12,700,230	2.6050	26,650,449,393
2015	28,541,096,046	2,714,157,631	25,826,938,415	1.0420	1,074,588,650	13,237,060	2.6049	26,914,764,125
2016	28,720,286,982	2,750,540,908	25,969,746,074	1.0420	1,194,260,330	17,284,140	2.6049	27,181,290,544
2017	29,332,122,303	2,789,102,083	26,543,020,220	1.0420	1,262,202,190	20,640,510	2.6049	27,825,862,920
2018	29,994,476,820	2,877,927,864	27,116,548,956	1.0420	1,323,867,530	20,328,480	2.6049	28,460,744,966
2019	30,690,268,597	2,992,003,005	27,698,265,592	1.0420	1,413,596,960	18,889,590	2.6049	29,130,752,142
2020	31,533,436,375	3,072,471,445	28,460,964,930	1.0420	1,368,709,660	19,256,680	2.6049	29,848,931,270
2021	32,488,216,552	3,198,435,162	29,289,781,390	1.0420	1,501,683,600	17,114,470	2.6049	30,808,579,460



(1) Assessed values are established by the MD Department of Assessments and Taxation at assessed market value. A reassessment of all property is required to be completed every three years; any increase in property values is phased in over a minimum of three years.

HARFORD COUNTY, MARYLAND
Direct and Overlapping Property Tax Rates ⁽¹⁾
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

Table 7

Fiscal Year Ending June 30,	County Direct Real Property Tax Rate			Overlapping Real Property Tax Rates		
	General Fund ⁽²⁾	Special Revenue Fund ⁽³⁾	Total Direct Tax Rate	Town of Bel Air ⁽⁴⁾	City of Aberdeen ⁽⁴⁾	City of Havre de Grace ⁽⁴⁾
2012	0.8960	0.1460	1.0420	0.5000	0.6800	0.5900
2013	0.8960	0.1460	1.0420	0.5000	0.6800	0.5800
2014	0.8960	0.1460	1.0420	0.5000	0.6800	0.5600
2015	0.8937	0.1483	1.0420	0.5000	0.6800	0.5600
2016	0.8937	0.1483	1.0420	0.5000	0.6566	0.5600
2017	0.8937	0.1483	1.0420	0.5000	0.6566	0.5697
2018	0.8937	0.1483	1.0420	0.5000	0.6502	0.5650
2019	0.8937	0.1483	1.0420	0.5000	0.6502	0.5650
2020	0.8937	0.1483	1.0420	0.5000	0.6400	0.5650
2021	0.8937	0.1483	1.0420	0.5000	0.6400	0.5650

Fiscal Year Ending June 30,	County Direct Personal Property Tax Rate			Overlapping Personal Property Tax Rates		
	General Fund ⁽²⁾	Special Revenue Fund ⁽³⁾	Total Direct Tax Rate	Town of Bel Air ⁽⁴⁾	City of Aberdeen ⁽⁴⁾	City of Havre de Grace ⁽⁴⁾
2012	2.2400	0.3650	2.6050	1.1600	1.7000	1.7050
2013	2.2400	0.3650	2.6050	1.1600	1.7000	1.7050
2014	2.2400	0.3650	2.6050	1.1600	1.7000	1.7050
2015	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2016	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2017	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2018	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2019	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2020	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2021	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050

(1) Overlapping rates are those of local municipalities that apply to property owners within Harford County. Not all overlapping rates apply to all Harford County property owners.

For example, Town of Bel Air rates apply only to the County property owners whose property is located within that municipality's geographic boundaries.

(2) Assessed against all property within Harford County.

(3) Assessed against all property within Harford County, but not in an incorporated town.

(4) Assessed against all property within these incorporated towns.

Note: The County's direct property tax rates are set by the County Council and can only be changed by the Council.

HARFORD COUNTY, MARYLAND
Principal Taxpayers
Current Fiscal Year and Ten Years Ago

Table 8

Fiscal Year 2021				
Taxpayer	Type of Business	Taxable Assessed Valuations ⁽¹⁾	County Taxes	Percentage of Total Assessed Valuation
Baltimore Gas & Electric Company	Public Utility	\$ 528,792,100	\$ 11,814,273	1.72%
Constellation Power Source Generation Inc.	Non-Utility Generator	81,873,360	1,829,215	0.27%
Verizon-Maryland	Public Utility	63,100,670	1,409,795	0.20%
Exelon Generation Company	Non-Utility Generator	60,430,920	1,350,148	0.20%
MCI Communication Services	Public Utility	42,665,900	953,243	0.14%
Comcast of Harford County LLC	Cable Provider	33,613,470	750,992	0.11%
Frito-Lay, Inc.	Office/Industrial Ctr.	30,148,230	673,572	0.10%
Columbia Gas Transmission	Public Utility	30,122,890	673,006	0.10%
Noxell Corporation	Cosmetics	21,953,640	490,488	0.07%
Delmarva Power & Light Co	Public Utility	17,910,130	400,148	0.06%
		<u>910,611,310</u>	<u>\$ 20,344,880</u>	<u>2.97%</u>
Total Taxable Assessed Valuation		<u>\$ 30,808,579,460</u>		

Fiscal Year 2012				
Taxpayer	Type of Business	Taxable Assessed Valuations ⁽¹⁾	County Taxes	Percentage of Total Assessed Valuation
Baltimore Gas & Electric Company	Public Utility	\$ 323,480,849	\$ 8,333,909	1.18%
Exelon Generation Company	Non-Utility Generator	74,617,634	1,943,789	0.27%
Verizon - Maryland	Public Utility	74,377,366	1,840,596	0.27%
MCI Communication Services	Public Utility	51,642,946	1,345,191	0.19%
Constellation Power Source Generation Inc.	Non-Utility Generator	50,053,036	1,303,881	0.18%
PECO Energy Power Company	Non-Utility Generator	47,435,580	1,235,697	0.17%
Harford Mall Business Trust	Shopping Center	29,702,545	665,337	0.11%
Comcast of Harford County LLC	Cable Provider	24,927,188	624,390	0.09%
Festival at Bel Air LLC	Shopping Center	23,405,179	609,705	0.09%
Wells Fargo Northwest	Office/Industrial Ctr.	18,309,464	476,961	0.07%
		<u>717,951,787</u>	<u>\$ 18,379,456</u>	<u>2.62%</u>
Total Taxable Assessed Valuation		<u>\$ 27,441,403,921</u>		

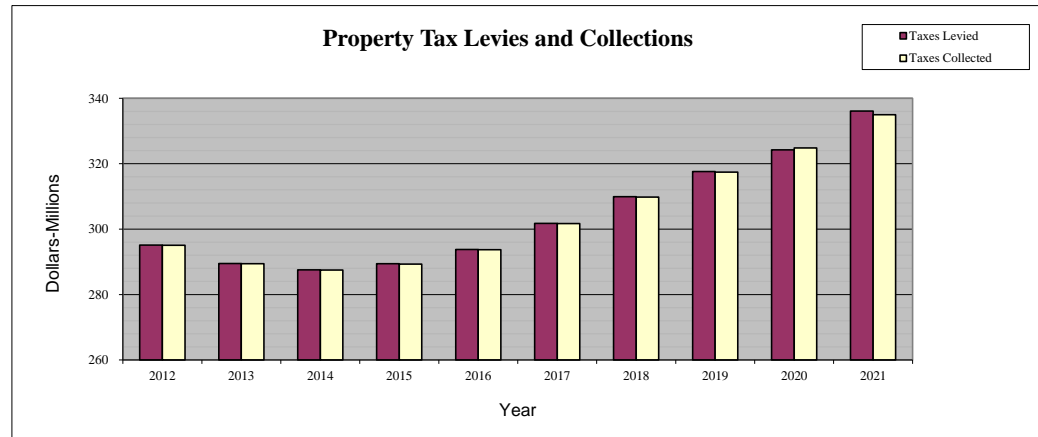
SOURCE: Harford County Department of the Treasury

(1) Total Taxable Assessed Valuations are based on information provided by the Maryland Department of Assessments and Taxation.

HARFORD COUNTY, MARYLAND
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 9

Year Ending June 30,	Taxes Levied for the Fiscal Year		Taxes Levied In Subsequent Years	Total Taxes Levied	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Delinquent Taxes to Tax Levy
					Amount	Percent		Amount	Percent		
2012	\$	295,797,824	\$	(684,964)	\$ 295,112,860	\$ 293,408,627	99.42%	\$ 1,679,835	\$ 295,088,462	\$ 24,398	0.01%
2013		290,142,026		(644,772)	289,497,254	289,161,782	99.88%	278,220	289,440,002	57,252	0.02%
2014		287,953,502		(416,842)	287,536,660	286,122,040	99.51%	1,367,346	287,489,386	47,273	0.02%
2015		289,650,116		(238,343)	289,411,773	288,877,184	99.82%	453,625	289,330,809	80,964	0.03%
2016		294,521,222		(777,420)	293,743,802	293,605,282	99.95%	87,133	293,692,415	51,387	0.02%
2017		302,063,517		(293,073)	301,770,444	301,316,849	99.85%	356,413	301,673,262	97,182	0.03%
2018		310,139,719		(226,744)	309,912,975	309,134,638	99.75%	657,764	309,792,402	120,573	0.04%
2019		317,964,349		(375,027)	317,589,322	316,861,410	99.77%	544,761	317,406,171	183,151	0.06%
2020		324,678,593		(418,127)	324,260,466	322,371,075	99.42%	2,465,353	324,836,428	(575,963)	-0.18%
2021		336,121,104		-	336,121,104	334,993,107	99.66%	-	334,993,107	1,127,997	0.34%



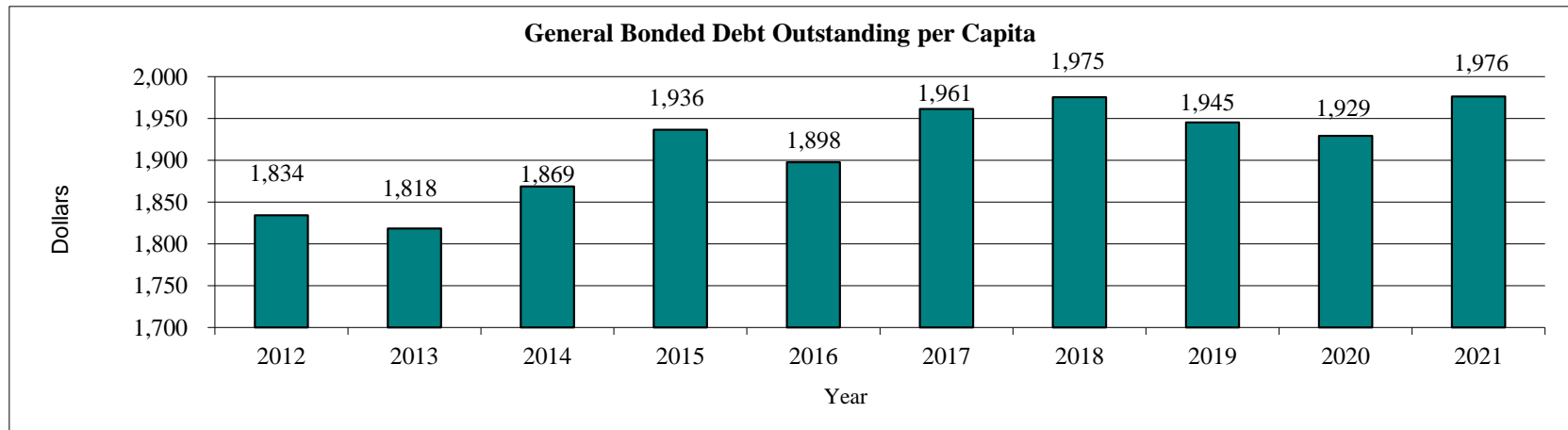
HARFORD COUNTY, MARYLAND
Ratios of General Bonded Debt Outstanding ⁽¹⁾
Last Ten Fiscal Years

Table 10

Year Ending June 30,	Governmental General Obligation Debt ⁽²⁾	Business-type General Obligation Debt	Less Amounts to be Paid with Restricted Resources ⁽³⁾	Net General Bonded Debt	Percentage of Taxable Assessed Value of Property ⁽⁴⁾	Per Capita ⁽⁴⁾
2012	\$ 518,004,780	\$ 131,616,764	\$ 193,675,340	\$ 455,946,204	1.66%	1,834
2013	513,699,874	132,469,669	193,574,381	452,595,162	1.68%	1,818
2014 ⁽⁵⁾	524,885,655	132,046,646	191,075,915	465,856,386	1.75%	1,869
2015	542,589,182	127,341,763	186,701,066	483,229,879	1.80%	1,936
2016	527,417,700	131,755,478	184,038,327	475,134,851	1.75%	1,898
2017	540,628,030	124,264,790	170,886,221	494,006,599	1.78%	1,961
2018	529,822,910	122,350,421	150,671,780	501,501,551	1.76%	1,975
2019	529,922,835	119,780,161	152,774,820	496,928,176	1.71%	1,945
2020	531,746,800	114,206,271	148,863,398	497,089,673	1.67%	1,929
2021	546,142,979	107,144,397	141,219,957	512,067,419	1.66%	1,976

- (1) Bonded Debt is all debt backed by the full faith and credit and unlimited taxing authority of the County. Business-type bonds are included because they are backed by the full faith and credit and unlimited taxing authority of the County; however, business-type bonds are payable in the first instance from area connection charges, benefit assessments and surcharges. See Table 11 for specific information on business-type bonded debt.
- (2) Includes Notes Payable; all are backed by the full faith and credit and unlimited taxing authority of the County.
- (3) Agricultural Land Preservation debt and Water and Sewer debt are subtracted from the bonded debt because Agricultural Land Preservation debt is paid from dedicated revenues in the Agricultural Land Preservation Special Revenue Fund and Water and Sewer debt is paid from the Water and Sewer Enterprise Fund.
- (4) Information from Tables 6 and 14.
- (5) Governmental and Business-type general obligation debt has increased by \$12,836,002 and \$1,904,224 respectively due to implementing GASB 65 which removes deferred loss/gain on refunding as an offset to liabilities and reclass as a deferred outflow/inflow of resources.

Note: Detail regarding the County's debt can be found in the notes to the financial statements.



HARFORD COUNTY, MARYLAND
Ratios of Outstanding Debt by Type ⁽¹⁾
Last Ten Fiscal Years

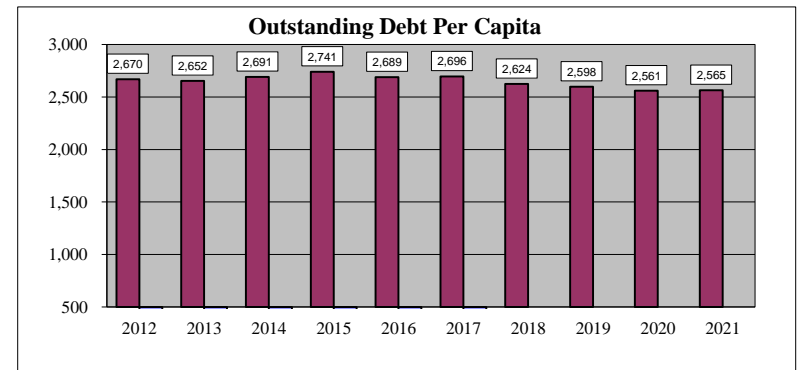
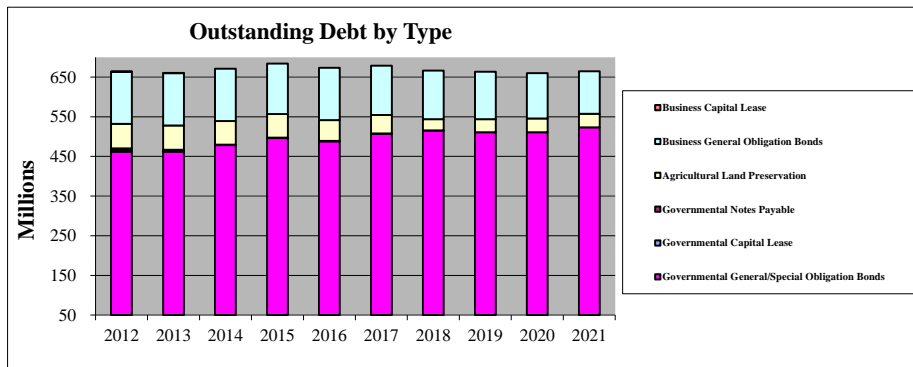
Table 11

Fiscal Year Ending June 30,	Governmental Activities					Business-type Activities			Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
	General/Special Obligation Bonds	Capital Lease Obligation	Notes Payable	Agricultural Land Preservation	Total Governmental Activities	General Obligation Bonds	Capital Lease Obligation	Total Business-type Activities			
2012	\$ 462,132,841	\$ 2,941,940	\$ 4,871,422	\$ 62,058,577	\$ 532,004,780	\$ 131,235,775	\$ 380,989	\$ 131,616,764	\$ 663,621,544	5.42%	\$ 2,670
2013	462,229,857	1,294,584	3,070,721	61,104,712	527,699,874	132,276,225	193,444	132,469,669	660,169,543	5.40%	2,652
2014 ⁽³⁾	478,542,366	-	1,314,020	59,029,269	538,885,655	132,046,646	-	132,046,646	670,932,301	5.27%	2,691
2015	495,916,560	-	1,313,319	59,359,303	556,589,182	127,341,763	-	127,341,763	683,930,945	5.17%	2,741
2016	487,822,233	-	1,312,618	52,282,849	541,417,700	131,755,478	-	131,755,478	673,173,178	4.90%	2,689
2017	506,694,682	-	1,311,917	46,621,431	554,628,030	124,264,790	-	124,264,790	678,892,820	4.76%	2,696
2018	514,171,551	-	1,300,000	28,321,359	543,792,910	122,350,421	-	122,350,421	666,143,331	4.49%	2,624
2019	510,848,176	-	-	32,994,659	543,842,835	119,780,161	-	119,780,161	663,622,996	4.31%	2,598
2020	510,934,673	-	-	34,657,127	545,591,800	114,206,271	-	114,206,271	659,798,071	4.13%	2,561
2021	523,432,419	-	-	34,075,560	557,507,979	107,144,397	-	107,144,397	664,652,376	4.01%	2,565

(1) All debt reported by the primary government. Details regarding the County's debt can be found in the notes to the financial statements.

(2) Information from Table 14.

(3) Governmental and Business-type general obligation debt has increased by \$12,836,002 and \$1,904,224 respectively due to implementing GASB 65 which removes deferred loss/gain on refunding as an offset to liabilities and reclassified as a deferred outflow/inflow of resources.



HARFORD COUNTY, MARYLAND
Legal Debt Margin Information
Last Ten Fiscal Years

Table 12

Fiscal Year	Debt Limit	Total Debt Applicable to the Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a % of Debt Limit
2012	\$ 1,734,475,759	\$ 455,946,203	\$ 1,278,529,556	26.29%
2013	1,714,305,453	452,595,162	1,261,710,291	26.40%
2014	1,692,448,434	465,856,386	1,226,592,048	27.53%
2015	1,712,790,162	483,229,879	1,229,560,283	28.21%
2016	1,739,916,435	475,134,851	1,264,781,584	27.31%
2017	1,785,007,618	494,006,599	1,291,001,019	27.68%
2018	1,828,622,339	501,501,551	1,327,120,788	27.43%
2019	1,876,768,918	496,928,176	1,379,840,742	26.48%
2020	1,915,852,847	497,089,673	1,418,763,174	25.95%
2021	1,985,206,594	512,067,419	1,473,139,175	25.79%

Legal Debt Margin Calculation for Fiscal Year 2021

(1) Net Assessed Value - Real Property	\$ 29,289,781,390	
(2) Debt Limit=6% of Net Assessed Value - Real Property		\$ 1,757,386,883
(1) Assessed Value - Personal Property	1,518,798,070	
(2) Debt Limit=15% of Net Assessed Value - Personal Property		227,819,711
Total Debt Limit		1,985,206,594
(3) Amount of Debt Applicable to Debt Limit	664,652,376	
Less Other deductions allowed by law:		
(3) Debt Payable from Special Revenue Fund	(34,075,560)	
Debt Payable from Debt Service Fund	(11,365,000)	
(3) Debt Payable from Enterprise Revenues	(107,144,397)	
Total Debt Applicable to Debt Limitation		512,067,419
Legal Debt Margin		\$ 1,473,139,175

(1) Table 6

(2) Pursuant to the Local Government Article §10-203 of the Annotated Code of Maryland

(3) Table 11

HARFORD COUNTY, MARYLAND
Bond Coverage - Water and Sewer ⁽¹⁾
Including Capital Recovery Fees
Last Ten Fiscal Years

Table 13

Fiscal Year																					
Ending June 30,	Gross Revenues ⁽²⁾		Area Connection Charges		Benefit Assessment		User Assessments and Surcharges ⁽³⁾		Total Gross Revenues		Operating Expense ⁽⁴⁾		Net Revenue Available for Debt Service		Debt Service Requirements ⁽⁵⁾						
													Principal	Interest	Total	Coverage					
2012	\$	30,330,584	\$	602,650	\$	772,003	\$	7,255,466	\$	38,960,703	\$	28,395,794	\$	10,564,909	\$	9,286,248	\$	4,770,471	\$	14,056,719	0.75
2013		31,145,719		971,184		860,161		7,326,693		40,303,757		34,875,138		5,428,619		9,576,324		4,417,177		13,993,501	0.39
2014		32,858,837		1,238,139		899,888		8,531,527		43,528,391		33,619,976		9,908,415		8,546,381		4,434,807		12,981,188	0.76
2015		33,344,939		1,709,847		934,765		12,823,007		48,812,558		33,211,697		15,600,861		8,269,283		4,022,016		12,291,299	1.27
2016		33,606,189		1,264,387		954,401		9,827,297		45,652,274		32,151,623		13,500,651		8,655,544		3,802,578		12,458,122	1.08
2017		41,057,009		1,485,134		976,332		10,306,910		53,825,385		34,282,770		19,542,615		8,370,350		3,348,083		11,718,433	1.67
2018		46,403,240		2,366,400		1,699,264		10,254,238		60,723,142		34,794,112		25,929,030		8,570,141		3,760,439		12,330,580	2.10
2019		50,792,694		3,814,022		268,178		15,061,051		69,935,945		37,128,846		32,807,099		8,191,416		3,610,197		11,801,613	2.78
2020		52,332,251		18,001,919		195,765		16,767,329		87,297,264		37,857,518		49,439,746		8,668,996		2,816,296		11,485,292	4.30
2021		52,698,414		144,236		174,731		11,142,230		64,159,611		38,861,221		25,298,390		8,810,776		2,466,394		11,277,170	2.24

(1) Harford County Water and Sewer Enterprise Fund shown in Exhibit 8.

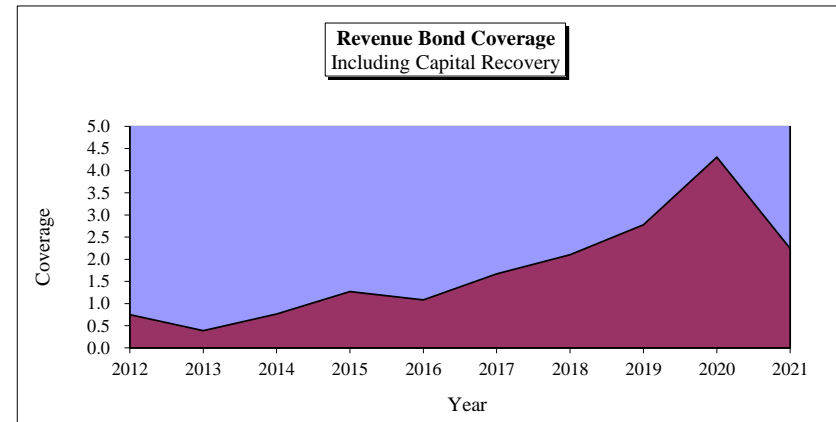
(2) Includes Total Operating Revenue, Interest Income, Recordation Tax, and Grant revenues.

(3) User Assessments and Charges updated in FY 2021 for all fiscal years reported.

(4) Includes Total Operating Expenses exclusive of Depreciation plus Other Expense.

(5) Includes Principal and Interest on Water and Sewer Bonds net of Refunded Bonds.

Note: Developer contributions of *Capital Assets* are not included in this table.



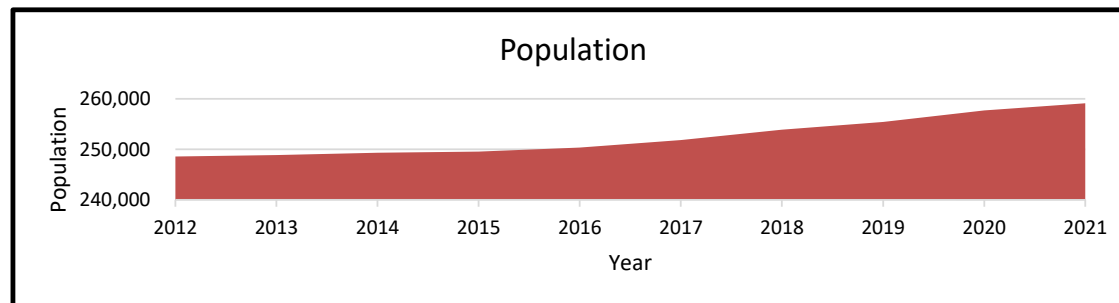
HARFORD COUNTY, MARYLAND
Demographic Statistics
Last Ten Fiscal Years

Table 14

Fiscal Year Ending June 30,	Population ⁽¹⁾	Per Capita Income ⁽²⁾	Personal Income ⁽²⁾ (000's)	Unemployment Rate ⁽³⁾	School Enrollment ⁽⁴⁾	Median Age ⁽⁵⁾	Education of Bachelor Degree or Higher ⁽⁵⁾
2012	248,566	\$ 49,229	\$ 12,236,731	7.4%	38,224	39.2	28.9%
2013	248,890	49,078	12,215,071	7.5%	37,868	39.5	31.5%
2014	249,314	51,090	12,727,534	6.0%	37,842	39.8	32.7%
2015	249,558	53,051	13,239,258	5.5%	37,537	39.9	33.4%
2016	250,370	54,818	13,724,807	4.4%	37,448	40.1	33.8%
2017	251,858	56,589	14,252,463	4.2%	37,426	40.3	34.5%
2018	253,882	58,440	14,836,852	4.1%	37,780	40.6	35.2%
2019	255,441	60,266	15,394,347	3.7%	37,826	40.6	35.8%
2020	257,679	62,146 ⁽⁶⁾	15,973,174 ⁽⁶⁾	7.2%	38,429	40.9	36.7%
2021	259,118	64,085 ⁽⁶⁾	16,573,766 ⁽⁶⁾	5.7%	37,333	Not Available	Not Available

SOURCE:

- (1) Population Division, U.S. Census Bureau, March 2019 provided population estimates for FY2012 thru FY2019. Harford County Department of Planning and Zoning provided population estimates for FY2020 and FY2021.
- (2) U.S. Bureau of Economic Analysis Table CAO4
- (3) Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information
- (4) Harford County Public Schools
- (5) Claritas, a marketing information resource company, subscribed to by the County's Department of Planning and Zoning
- (6) Personal income and per capita income for fiscal years 2020 and 2021 were estimated because data was unavailable



HARFORD COUNTY, MARYLAND
Principal Employers
Current Fiscal Year and Ten Years Ago

Table 15

Fiscal Year 2021			
	Number of Employees ⁽¹⁾	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	21,000	1	22.75%
Harford County Public Schools	5,231	2	5.67%
UM Upper Chesapeake Medical Center	3,305	3	3.58%
US Army Research Laboratory (ARL)	2,000	4	2.17%
Harford County Government	1,541	5	1.67%
Klein's ShopRite of Maryland	1,200	6	1.30%
Kohl's E-Fulfillment Center	1,200	7	1.30%
Harford Community College	1,011	8	1.10%
Amazon Sorting Center MTN2	1,000	9	1.08%
Rite Aid Mid-Atlantic Customer Distribution Center	900	10	0.98%
Total	38,388		41.60%
Total County Employment ⁽²⁾	92,280		100%

Fiscal Year 2012			
	Number of Employees ⁽¹⁾	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	15,582	1	22.25%
Harford County Public Schools	5,440	2	7.77%
Upper Chesapeake Health System	2,720	3	3.88%
Harford County Government	1,938	4	2.77%
Harford Community College	1,219	5	1.74%
Rite Aid Mid-Atlantic Customer Support Center	1,167	6	1.67%
Shop Rite	800	7	1.14%
Jacobs Technology	785	8	1.12%
SAIC	700	9	1.00%
Sephora USA	700	10	1.00%
Total	31,051		44.34%
Total County Employment ⁽³⁾	70,027		100%

Source:

(1) Office of Economic Development, Harford County, Maryland

(2) MD Department of Labor (QCEW)

(3) U.S. Census Bureau, Center for Economic Studies, June 2012

HARFORD COUNTY, MARYLAND
Capital Asset and Infrastructure Asset Statistics by Function/Program ⁽²⁾
Last Ten Fiscal Years

Table 16

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Agricultural Preservation										
Acres of Farm Land in Preservation Program	36,563	37,195	37,443	38,671	39,078	39,680	39,680	43,806	44,618	45,687
General Government										
Office Buildings	13	13	13	13	13	5	5	5	5	5
Garage	1	1	1	1	1	1	1	1	1	1
Vehicles	36	36	27	25	17	28	27	32	45	47
Education-Primary thru Community College ⁽¹⁾										
Administration Building	1	1	1	1	1	1	1	1	1	1
Alternative Education Center	1	1	1	1	1	1	1	1	1	1
Community College	1	1	1	1	1	1	1	1	1	1
Elementary Schools	33	33	33	33	33	33	33	33	33	33
High Schools	9	9	9	9	9	9	9	9	9	9
Middle Schools	9	9	9	9	9	9	9	9	9	9
Special Education	1	1	1	1	1	1	1	1	1	1
Vocational/Technical High School	1	1	1	1	1	1	1	1	1	1
Harford Center--Rehabilitation Center for Disabled	1	1	1	1	1	1	1	1	1	1
Judicial										
Courthouse	1	1	1	1	1	1	1	1	1	1
Vehicles	2	2	1	1	1	1	1	1	1	1
Libraries	11	11	11	11	11	11	11	11	11	11
Parks and Recreation										
Number of Parks	93	93	96	96	95	95	96	96	97	97
Rec, Comm. & Visitor Ctrs	8	8	8	8	8	8	8	8	8	8
Acres of Land	4,594	4,473	4,608	4,608	4,543	4,543	4,539	4,539	4,540	4,886
Vehicles	52	57	50	48	58	58	55	53	41	38
Public Safety										
Detention Center	1	1	1	1	1	1	1	1	1	1
Emergency Operations Center	1	1	1	1	1	1	1	1	1	1
Number of Stations	3	3	3	3	3	3	3	3	3	3
Sheriff's Vehicles	374	372	375	379	367	336	361	380	370	439
Firing Range	1	1	1	1	1	1	1	1	1	1
Mobile Communications Center	1	1	1	1	1	1	1	1	1	1
Emergency Operations Vehicles	9	11	16	16	13	13	17	21	15	14
Hazmat Vehicles	10	11	11	9	8	8	9	8	7	8
DILP Vehicles	25	25	18	17	29	21	21	22	13	13

(continued)

HARFORD COUNTY, MARYLAND
Capital Asset and Infrastructure Asset Statistics by Function/Program ⁽²⁾
Last Ten Fiscal Years
(continued)

Table 16

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Works										
Highways										
County Maintained Roads-Paved Miles	1,008	1,011	1,013	1,017	1,018	1,023	1,027	1,029	1,032	1,037
County Maintained Roads-Unpaved Miles	47	46	46	46	45	45	44	44	42	42
Office Buildings	3	3	3	3	3	3	3	3	3	3
Equipment Sheds	8	8	8	8	8	8	8	8	8	8
Truck Bay	1	1	1	1	1	1	1	1	1	1
Salt Dome	4	4	4	4	4	4	4	4	4	4
Vehicles	296	291	288	303	276	253	252	278	296	301
Water & Sewer										
Miles of Water Mains and Laterals	685	683	689	691	696	703	705	711	719	749
Water Treatment Plants	3	3	3	3	3	3	3	3	3	3
Booster Stations	12	12	12	12	12	12	12	12	12	12
Water Tanks	13	12	12	12	12	12	12	12	12	12
Miles of Wastewater Mains and Laterals	770	776	784	787	792	798	798	798	798	798
Wastewater Treatment Plants	3	3	3	3	3	3	3	3	3	3
Wastewater Pumping Stations	55	56	53	50	52	51	51	51	51	51
Vehicles	109	116	120	113	103	109	108	113	122	127
Waste Disposal										
Waste to Energy Facility	1	1	1	1	1	-	-	-	-	-
Vehicles	12	11	12	9	5	-	-	-	-	-
Landfills										
Buildings	2	2	2	2	2	2	2	2	2	2
Pole barn/garage	2	2	2	2	2	2	2	2	2	2
Vehicles	55	50	45	44	35	42	41	42	39	41
Social Services & Health										
Senior/Activity Centers	5	5	5	5	5	5	5	5	5	5
Buses	31	43	43	43	43	43	38	39	33	37
Office Buildings	3	3	3	3	3	3	3	3	3	3
Transportation Facility	1	1	1	1	1	1	1	1	1	1
Other Vehicles	12	12	13	9	4	2	2	2	2	1

(1) Harford County does not own the Education Capital Assets but the County pays for their construction.

(2) Information from County Agencies/Component Units

HARFORD COUNTY, MARYLAND
Operating Indicators by Function ⁽¹⁾
Last Ten Fiscal Years

Table 17

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Agricultural Preservation</u>										
Number of settlements	9	6	-	9	-	3	-	21	7	3
<u>County Council</u>										
Number of bills introduced	67	54	49	25	44	26	43	26	32	34
Number of bills passed	57	52	43	24	42	24	41	24	32	34
<u>General Government</u>										
<u>Land Use</u>										
Total acres	280,727	280,727	280,727	280,727	280,727	280,727	280,727	280,727	280,727	280,727
Percent residential	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%
Percent agricultural	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%
Percent commercial	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%
<u>Inspections & Permits</u>										
Permits issued	14,633	15,896	18,293	19,215	19,933	17,261	17,295	17,664	16,991	17,026
Commercial construction permits	35	22	15	24	15	4	9	18	19	8
Residential construction permits	577	459	700	1,079	488	846	632	738	738	857
~ t										
<u>Judicial</u>										
<u>Circuit Court</u>										
Number of cases filed (Calendar year)	2,066	2,188	2,118	1,998	1,847	1,839	1,889	1,448	1,381	790
<u>District Court</u>										
Number of cases filed (Calendar year)	8,202	7,658	7,623	8,228	7,826	7,738	7,645	7,883	7,827	9,552
<u>Education</u>										
<u>Board of Education</u>										
Administrators	266	260	256	253	254	254	254	252	226	234
Support	2,073	2,064	2,018	2,003	1,974	1,919	1,909	1,858	1,889	1,964
Teachers/Counselors/Mentors	3,101	3,045	2,982	3,000	2,989	2,985	2,962	2,947	2,905	2,962
Number of students	38,224	37,868	37,842	37,537	37,448	37,426	37,780	37,826	38,429	37,333
<u>Community College</u>										
Number of credit students	6,547	6,481	6,201	5,962	5,759	5,764	5,375	5,350	5,040	4,629
Faculty	474	471	469	450	415	407	383	374	384	330
Administrators	32	32	32	31	31	26	28	29	30	29
Staff	454	461	485	489	530	534	543	515	515	412
Visiting Professors	39	42	43	41	41	42	39	43	46	43
<u>Libraries</u>										
Number of registered borrowers	175,887	182,000	191,239	181,393	185,638	193,747	196,219	196,853	206,595	252,725
Circulation (000) ⁽²⁾	4,500	4,111	4,130	3,872	3,783	3,697	3,616	3,384	2,646	1,945
Materials collection (000)	994	941	941	822	979	1,090	1,113	1,052	1,080	1,010
Library personnel	241	241	242	243	240	242	242	242	242	210
<u>Parks and Recreation ⁽³⁾</u>										
Volunteer recreation councils	22	23	22	22	22	20	20	20	20	20
Number of P&R volunteers	15,439	14,396	14,297	14,250	13,271	13,571	14,308	15,694	11,561	4,365
Recreation registrations	72,953	76,456	73,359	73,066	66,074	69,625	65,122	66,089	55,286	33,177
<u>Public Safety</u>										
Number of volunteers - Fire & EMS	1,145	1,123	1,169	1,170	1,189	1,181	1,178	1,141	1,048	1,256

(continued)

HARFORD COUNTY, MARYLAND
Operating Indicators by Function ⁽¹⁾
Last Ten Fiscal Years
(continued)

Table 17

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Public Safety (continued)</u>										
Fire & EMS responses	30,952	26,372	26,195	29,704	28,604	29,974	30,482	30,620	29,939	25,532
Police responses	150,711	135,990	137,801	227,027	296,213	273,589	284,966	222,182	170,029	215,090
911 calls	108,865	105,584	99,555	101,915	101,033	104,385	104,456	104,120	103,525	103,447
Hazardous material incidents	169	163	210	187	196	183	193	179	135	110
EOC activations/exercises	15	26	30	25	38	26	32	27	25	20
Community policing programs	298	298	139	134	156	122	240	244	108	219
Neighborhood watch programs	24	27	33	38	35	26	25	19	18	36
<u>Public Works</u>										
<u>Solid Waste</u>										
Tons of recycled materials ⁽⁴⁾	165,475	146,800	126,923	10,358	21,184	9,974	8,704	818	2,775	2,701
Tons of solid waste processed ⁽⁴⁾	141,962	167,500	133,890	140,792	120,509	12,638	12,654	17,678	16,109	14,227
<u>Highways</u>										
Number of snow routes	75	75	75	75	75	75	75	75	75	75
<u>Social Services/Health</u>										
<u>Transportation</u>										
Annual ridership	299,865	355,978	356,770	365,905	359,269	326,706	298,405	358,499	308,049	116,431
Vehicle miles traveled	595,480	709,276	744,346	741,767	769,333	743,196	848,951	1,030,718	881,566	916,727
<u>Water & Sewer Operations</u>										
Daily average water consumption in gal.(000)	12,100	12,500	12,073	9,800	9,379	9,350	9,350	9,721	9,855	9,877
Daily average effluent treatment in gal. (000)	13,300	12,500	12,073	12,714	12,126	10,712	11,854	14,300	12,027	12,176
Number of new accounts added	282	343	312	227	291	287	371	450	567	453

(1) Information from County Agencies/Component Units

(2) Library circulation amount for FY 17 updated in FY 18.

(3) In FY 2017, information for the Number of P&R volunteers and Recreation Registrations was updated to a Fiscal Year basis for FY 2010 to FY 2017. Previously, information was provided on a calendar year basis.

(4) In FY 2017, Harford County outsourced the solid waste function for the majority of the year.

HARFORD COUNTY, MARYLAND
Full-time Equivalent Government Employees by Function ⁽¹⁾
Last Ten Fiscal Years

Table 18

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County Council	24	22	28	28	27	27	27	27	28	28
General Government										
County Executive	11	11	11	11	4	4	4	4	4	4
Administration	63	64	65	67	49	49	50	50	50	50
Procurement	16	15	14	14	14	11	10	10	10	10
Treasury	47	48	44	44	42	42	41	41	41	41
Law	15	15	16	16	16	15	15	15	15	15
Planning & Zoning	42	42	41	41	38	37	36	36	37	37
Human Resources	8	9	7	7	9	8	8	8	9	9
Gov't & Community Relations	-	-	-	-	4	6	6	6	6	7
Information & Communication Technology	26	27	29	29	24	23	23	23	23	25
Conservation of Natural Resources	4	4	4	4	5	5	5	5	5	5
Economic Development	16	17	17	17	22	20	14	21	21	17
	248	252	248	250	227	220	212	219	221	220
Judicial										
Judicial	29	29	29	29	30	30	32	32	32	33
State's Attorney	57	57	59	59	59	59	59	59	59	59
	86	86	88	88	89	89	91	91	91	92
Parks and Recreation	106	104	102	103	94	94	86	86	85	78
Public Safety										
Sheriff's Office	514	515	525	528	535	535	529	529	537	536
Emergency Services	90	92	94	94	91	90	106	106	106	114
Inspections, Licenses & Permits	40	40	39	39	29	30	31	31	31	31
	644	647	658	661	655	655	666	666	674	681
Public Works										
Public Works - Administration	24	24	24	24	30	14	20	20	18	14
Public Works - Solid Waste	33	34	33	33	23	-	-	-	-	-
Public Works - Watershed Management	-	-	12	12	-	-	-	-	-	4
Public Works - Highways	207	208	196	196	190	187	175	175	177	177
Public Works - Water & Sewer	170	170	171	172	170	170	170	170	169	168
	434	436	436	437	413	371	365	365	364	363
Social Services & Health										
Community Services	36	38	39	40	25	25	25	25	25	25
Housing Agency	6	6	6	7	9	8	8	-	-	-
	42	44	45	47	34	33	33	25	25	25
Grand Totals	1,584	1,591	1,605	1,614	1,539	1,489	1,480	1,479	1,488	1,487

(1) Information from Harford County Operating Budget; includes vacant positions.



HARFORD

COUNTY

BARRY GLASSMAN, COUNTY EXECUTIVE

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